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**A “NEW INSTITUTIONAL” PERSPECTIVE ON ENERGY POLICY
NETWORK FORMATION:
A CASE STUDY OF THE CENTRAL AND EASTERN EUROPEAN
SUSTAINABLE ENERGY NETWORK**

MA thesis

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I have written this Master's thesis independently. All viewpoints of other authors, literary sources and data from elsewhere used for writing this paper have been referenced.

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ABSTRACT

The research looked at the successful policy network formation process in new EU energy governance perspective and studied the CEESEN Central and Eastern European Sustainable Energy Network case. Thesis used “New Institutionalism” analytical framework to approach the successful network formation process. Thesis addressed the question of how meanings and purposes of EU new energy governance constrain and contribute to the successful emergence of policy networks in the case of the Central and Eastern European Sustainable Energy Network CEESEN. The study made tentative suggestion that the successful policy network formation happens by institutionalizing the structures of meanings via standardization, homogenization, and authorization of meanings in the case of CEESEN network. Qualitative Content Analysis was used to approach the data. Analysis consisted of 8 interviews with core and secondary network members, network materials and documentation, EU energy policy documents. Thesis brought a theoretical contribution to the institutionalization and network formation theory, provided a practical recommendation to the policy field and suggested further research avenues.

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ABBREVIATIONS

EU – European Union

EC – European Commission

CEESEN – Central and Eastern European Sustainable Energy Network.

CEE – Central Eastern Europe

PNF – Policy Network Formation

SCI – Social Constructivism Institutionalism

MLG - multilevel governance

PANEL2050 – Partnership for New Energy Leadership 2050.

INTRODUCTION

Energy transition from fossil fuels to a low carbon economy has become the critical dimension of European Union (EU) energy governance following its commitment to reduce the carbon intensity of the economy by 43% by 2030 (Clean Energy for all Europeans 2006. pp 2). The policy target seems ambitious considering that the EU-average for greenhouse gas emissions has gradually increased during the past thirty years. Understanding the ongoing energy transition process not only sheds light on how energy sustainability is achieved but also by what means the transition is accomplished via public policy.

The “Energy Union” strategy introduced alongside EU energy frameworks for 2020, 2030 and 2050 has set significant goals for the EU, such as to reduce greenhouse gas emissions by at least 40%, reaching 27% share of renewable energy in consumption and improving energy efficiency by at least 27% (Clean Energy for all Europeans 2006, 2030 Energy Strategy). Reaching these targets require consistent coordination on the European, national and local levels. The Energy Union framework imposed a new set of regulative policy instruments for new energy governance while also stressing the importance of non-legislative aspects of transition, such as coordinating dialogue among the wide range of stakeholders on different levels of energy governance (Energy Union Package 2015). The energy goals stayed consistent with the new strategies. However, in the multi-layered system of the European Union, they still imposed new institutional frameworks, policy concepts, goals, agendas, understandings, coordination structures and policy sphere in the energy sector. In terms of policy language, this also has been manifested as reinventing non-formal institutions on different layers of governance, for example, as policy networks in the energy sector. While putting the recent EU policy developments and institutional rearrangements together, the puzzle is to investigate whether the new meanings, concepts, purposes and policy agendas imposed by the Energy Union strategy have defined the successful emergence of energy policy networks as institutions and a new set of norms that policy actors have followed. Therefore, the purpose of this thesis is to examine thoroughly the structures of meaning that are prevalent in the successful emergence of policy networks.

This thesis explores the process of policy network formation (PNF) by using the case of the Central and Eastern European Sustainable Energy Network (CEESEN). CEESEN gathers energy actors from 11 Central Eastern European countries aiming to bring the energy transition to the local level and target the policy objectives of Energy Union Package. CEESEN was formed as part of an EU funded project. Its membership consists of two types of partners: staff of the 13 partner organizations funded via the EU project and gathering the local stakeholders from various sectors of society who have been engaged by the partners. It is a collaborative platform derived from the new trajectory of EU energy policy and dedicated to introducing the policy in Central Eastern Europe.

This analysis has been carried out by applying the new institutional analytical framework to approach policy network formation. The framework provides tools and a methodology for answering key questions, such as: how to define networks as institutions? How they come into existence? When their emergence is a meaningful act of human behavior? New Institutionalist thought indicates that by answering the questions above, we will be better able to understand the social interaction and development taking place. The fundamental perspective being employed here is that institutions are systems of meaning that define the nature of the behavior of actors within the institutions themselves (March and Olsen, 2009). Considering that there are a variety of new institutionalist approaches, there is a need to define which New Institutionalism framework is best for explaining network formation in the new EU energy policy context where the meanings, understandings, and perceptions are critical points. In historical institutionalism framework the formation of institutions are examine as actors following “path dependency” where the decision of form the institutions are based on the historical trajectory. In rational-choice institutionalism framework, the decision for form he institutions are simply made based on the ration calculations. But the primary theoretical approach used in this work is Social Constructivist Institutionalism (SCI) which defines institutions as sets of formal and informal rules, norms and procedures, the knowledge, values, codes, and conceptions (Sørensen, E., & Torfing, J. 2007). March and Olsen’s (2009) critical assumptions, definitions, and model of institution formation clarifies and sets boundaries to the logical framework of the thesis. March and Olsen (2015) define institutions as “relatively stable collection of

rules and practices embedded in structures of resources that make action possible—organizational, financial and staff capabilities, and the structures of meaning that explain and justify behavior - roles, identities and belongings, common purposes, and causal and normative beliefs” (March and Olsen, 2015, p3). The resources and meanings as institutions themselves “organize, enable and restrain actors” (Olsen 2010). The framework corresponds to the new energy policy context where the new meanings and policy aims were set to modify the nature of the policy. Therefore, actors behave according to meanings by perceiving certain things as appropriate, what March and Olsen call the “logic of appropriates”. Actors within institutions are the ones who prescribe the certain behavior and norms of acting in specific conditions defined by structures of meanings and they do it based on what is perceived as appropriate action in the given context. This “Logic of appropriateness” in turn, guides the formation, change, and dynamics of institutions.

Based on the puzzle outlined above, the nature of the research question becomes clearer: *How do the meanings and purposes of EU new energy governance constrain and contribute to the successful emergence of policy networks in the case of the Central and Eastern European Sustainable Energy Network CEESSEN?*

On the conceptual level, this thesis seeks to explore further the preliminary proposition that *successful policy network formation happens by institutionalizing the structures of meanings via standardization, homogenization and authorization of them in the case of CEESSEN network*. Thesis aims to identify the nature and dimensions of the institutionalization in the case of the CEESSEN and reflect on the policy applications of the EU new energy governance. The argument is served as tentative answer to the main research questions. It helps to guide the data collection and analysis and defines the preliminary ending point for the research (Maxwell 2005, p 69). The thesis does not aim to confirm or falsify the preliminary proposition.

The thesis conceptualizes the new energy governance features of EU to define the newly forged context and structures of meanings crafted by the CEESSEN network members. The formation of the policy network is seen as “sets of formal institutional and informal linkages between governmental and other actors structured around shared if endlessly negotiated beliefs and interests in public policy making and

implementation” (Rhodes 2006). In the final chapter the thesis evaluates PNF in four stages: the pre-networking phase, problem setting, direction setting, and structuring phases of collaboration (Formalizing the collaboration) (Gray 1985; Larson; 1992). according to the dimensions of the institutionalization (Olsen 2010).

On the empirical level, the thesis uses a single case study design exploring the Central and Eastern European Sustainability Network CEESEN. CEESEN is a platform for collaboration between local stakeholders for the creation of local energy visions, strategies and action plans for the transition towards low-carbon communities by 2050. CEESEN serves as a meta-level platform for the local network formed across 11 countries within the CEE region, including Estonia, Latvia, Lithuania, Poland, Hungary, Moldova, Slovenia, Bulgaria, Austria Macedonia, and Romania. It does so by involving a range of actors from the public, private non-profit sectors. CEESEN aims to mobilize societal resources to address the issue of CO₂ emissions and form movements to spur transition from fossil fuel to low-carbon energy regimes.

The CEESEN network will be analyzed on two different levels: the ‘core member macro’ and ‘secondary member micro’ levels. This has been done via content analysis of the materials and documents created by the network during the formation process and transcribed interviews with the core and secondary network members. Based on the selected conceptual framework, the thesis will study the structures of meanings – *common purposes, reasons, vocabularies and concepts* defined by the new EU energy strategies and applied by the network members. In an institutionalization context, the thesis evaluates the *standardization, homogenization, and authorization* of structures of meaning which in final chapter is analyzed in four outlined phases of the network formation. The thesis uses the premises of inductive content analysis. Thus, analyzed data includes project proposals developed for the EU to facilitate the formation of the network, the consortium agreement of CEESEN network, official notes from 14 network virtual meetings, protocols of 5 steering committee meetings, 4 strategic documents and directives of EU in the energy sector. It will also include 8 transcribed interviews in total with core network members who participated in the formation process and local stakeholders declaring the aspiration to network membership.

The originality of the thesis is twofold. In a theoretical sense, the applied framework outlines the social constructivist institutionalism perspective on energy policy network formation and sets clear boundaries. The cognitive features of network formation have received little attention from governance scholars. Few studies have explained network formation via a “new institutionalism” prism in the frames of historical path dependence. Furthermore, studies that have been conducted on this topic have been dominated by rational-choice institutionalism. This thesis however, will analyze network formation in the field of energy governance thoroughly from a different angle. From an empirical perspective, the thesis is one of the few studies that is attempting to explore energy policy network formation in Central Eastern Europe and presents how energy transition is governed in the newly established EU energy policy context. The thesis analyzes policy applications based on their cognitive elements, in addition to their functional/administrative features, in the process of building a successful transnational policy network in the energy sector that policy actors need to consider. Due to my personal involvement in the formation of the CEESSEN network, the author has a clear understanding of internal dynamics of the process, which is why has offered an added value to this participatory research approach.

The thesis has five chapters. The first chapter will outline the EU energy governance framework in which CEESSEN is operating. It defines what are the trajectories of new energy governance in the EU and what are the key concepts enforced by the Energy Union strategy. The second chapter conceptualizes the new institutionalism arguments and defines the model of successful institutionalization in the context of policy network formation. It also elaborates on the key arguments of the thesis. The third chapter describes the research design and methodology used and explains the logic of interview protocols constructed. The fourth chapter includes the research results, exploring the structure of meanings and the institutionalization process. The last Chapter will make conclusions and offer suggestions for further research.

1. POLICY CONTEXT: EU ENERGY GOVERNANCE

1.1 EU ENERGY POLICY

1.1.1 Constructions of the EU energy policy

Energy has been the critical dimension of EU since the very beginnings of establishing the union and the major starting point for the cooperation of European countries. Andrea Prontera notes that the attempts to build a common energy policy on a European scale are as old as the integration process (ECSC, EURATOM) (Prontera, A. 2009 p 14). Energy governance here is seen as a set of public policies that consist of “interventions in the sectors of coal, electricity, oil, and gas, as well as nuclear and renewable energy, and the activities aimed at improving energy efficiency in supply and consumption (McGowan 1996)”. In the European context, energy policy, is the “product of the interaction of material and technological factors with political one” (Prontera A. 2009, p1). There has been a conceptual shift over the decades in EU energy governance in terms of what has been stressed in terms of energy policies, the framing of policy problems as well as dominant paradigms, and concepts. This chapter outlines the key features of the recent EU energy governance outlining what and how it has been governed in the EU.

Post-war reconstruction of Europe in the early 1950s demanded leading European countries to rethink their cooperation in the energy field. At the time, the focus was on coal and steel simply because reconstruction required large amounts of steel and coal. The 1951 Treaty of Paris outlined the cooperation objective of the European Coal and Steel Community stating that “to contribute to economic expansion, the development of employment and the improvement of the standard of living in the participating countries through the institution ... of a common market” (Treaty of Paris 1951). It aimed to establish the common market for coal and steel. Although the cooperation agreement had clear implications for energy production and consumption, it did not conceptualize an energy policy as such. It primarily stressed the economic dimension of the

production of steel and consumption of coal. This focus became clear in the Messina declaration (1955) where members stated the goal of “Putting more abundant energy at a cheaper price at the disposal of the European economies... (Ibid p2)”. Considering the trajectory of EU energy policy development, it took decades to put thorough attention on energy policy. The Lisbon treaty in 2010 was the first pan-European legal agreement which included a chapter on energy policy and established a legal framework for establishing solidarity between the Member States “to ensure the functioning of the energy market; security of energy supply in the Union; and promote energy efficiency and energy saving and the development of new and renewable forms of energy; and promote the interconnection of energy networks” (Lisbon Treaty 2009) . In reality, the energy objective in the Lisbon Treaty vaguely defined the means of governance, but it imposed the legal basis for further policy developments and raised the political significance of energy policy.

At first glance, it is possible to see the discursive shift in the framing of the energy policy problem by comparing the two agreements described above. Over the first twenty years of its existence the EU targeted the challenge of “securing the basics” (Schubert, S. R., Pollak, J., & Kreutler, M. (2016 p93) meaning that the Paris Agreement tried to avoid “persistent disturbances in the economies of the member states” (Paris Treaty 1951) while setting the coordinative measure of steel and coal exchange and trade. Daintith and Hancher (1986) have argued that the first attempts to develop the common energy policy only had limited results and after the 1970s when oil-producing Arab countries placed an embargo, the import of oil drastically decreased. The resulting “Oil Shock” led to a shortage and growing prices of oil. This was the turning point where cross-cutting policies began to influence the operating decisions of EU member governments and the firms that operate in the energy sector (Daintith and Hancher 1986). As a result, policy shifted towards ensuring sustainability and competitiveness as well as securitization.

Over the past decade, the EU has mobilized the efforts to move fast towards the creation of a common energy policy (Duffield, J. S., & Birchfield, V. L. 2011). As mentioned above, this was politically and legally manifested as a discursive jump in policy problem framing, objectives and instruments defined, first in the green paper of 2006

and in working paper of the Lisbon Treaty, which was later extended in the Energy Strategies for 2020, 2030 and Energy roadmap 2050. These documents shed light on the essence of the EU's current energy policy and presents the special context from which the CEESSEN policy network has emerged.

Nowadays EU energy policy governs the production, distribution, and consumption of energy in the lives of European citizens by regulating markets, imposing taxes and coordinating the incentives on the national and intra-European level (Schubert, S. R., Pollak, J., & Kreutler, M. 2016). The EU energy portfolio can be simplified by drawing lines between the internal and external dimension of energy governance. The dichotomy here helps to frame our scope of interest for the current thesis. In this regard, the internal and external typology of energy governance suggested by Schubert et al., (2016) is useful. The external dimension simply focuses on reducing energy dependence of the EU and securing the energy supply from abroad. The internal dimension focuses on establishing the common energy market, nuclear power policies and developing new energy technologies. Internally, the EU operates as a regulator on one hand and as a facilitator of the policy process on the other hand. The internal dimension covers issues such as liberalization of markets, deregulation/re-regulation, managing electricity networks and infrastructures, funding researchers for technological advancement and providing subsidies to energy producers and consumers. The internal dimension also engages a wide scope of actors, social groups, institutions, horizontal and vertical processes and policy instruments. It is also the space where non-formal institutions and governance networks arise to facilitate the implementation of the EU goals either on the national or transnational level. Internal dimension of the energy governance is the scope of our interest.

The next chapter explores the energy policy essence of EU energy governance and how policy networks are embedded in it. The chapter also addresses the need to turn to meanings in the new policy arrangements and outlines critical aspects of multi-level governance of the EU.

1.1.2 Frames of Internal EU energy Policy: sustainability, competitiveness, and security

In 2006 the European Commission (EC) introduced the green paper “A European Strategy for Sustainable, Competitive and Secure Energy”. The EC adopted the paper after a long process of consultations with a wider set of sectorial actors from EU institutional bodies, energy companies, and citizen groups. The green paper was a reactionary act to the head of governments advocating for the common approach to energy policy at Hampton Court in 2005.

Since the EU was interested in creating a common coherent energy policy, the green paper was an important step in the unification of energy policy. Scholars argue that the harmonization and unification of the framework were necessary to promote the security matter especially in regards of coal-mining and oil import (D. Benson and D. Russel 2015).

The Green paper is also important because it unified the targeted energy sectors into one policy framework. Separate energy policy measures adopted since 2001 included directives¹ on the promotion of electricity produced from renewable energy sources, the energy performance of buildings, the promotion of biofuels in transport, the promotion of cogeneration and adoption of mechanisms under the Kyoto Protocol. Energy policy was defined by an approach based solely on 25 individual energy policies (Piebalgs, Andris 2006, p 8). This was intentional as a goal of the green paper was to redirect the European community policy and create synergy between energy sectors. In the European Union context, a green paper is also a consultation tool to encourage public debate and “launch the process of consultations. It usually suggests the perspective over the policy issue, sums up the ideas and sets the platform for policy actors to shape it” (Siekmann, R. 2008). Accordingly, the green paper stated that its release “marks the

¹ See: Directive 2001/77/EC on the promotion of electricity produced from renewable energy sources, Directive 2002/91/EC on the energy performance of buildings, Directive 2003/30/EC on the promotion of biofuels in transport, Directive 2004/101/EC mechanisms under the Kyoto Protocol, Directive 2004/8/EC on the promotion of cogeneration, Directive 2006/32/EC on energy end use efficiency and energy services, and Regulation EC 842/2006 and Directive 2006/40/EC on reducing the emission of fluorinated GHGs.

start of a public consultation period during which a series of concrete measures will be launched in the field of energy” (Green paper [COM 2006 105](#)). It was a pivotal document whose contents have in subsequent years been transferred into a large number of energy agreements, directives, regulations, strategies and guidelines for the member states.

The green paper was also a response to the alarming energy landscape that was believed to present important challenges to the EU. On one side, there was an increasing trend in final consumption and energy demand during the previous ten years of 1995-2005 (Eurostat 2017). Meanwhile other factors, such as external pressure to implement the Kyoto protocol commitments in EU. This required the EU to reduce greenhouse gas emissions which were extensive at this time (Eurostat 2015) by initiating the European Union Emissions Trading System (EU ETS). Furthermore, the increase in oil prices in 2003 led to calls to revise EU energy policy (Alario, J. 2007).

The formal EU rhetoric of the green paper was to address the threats coming from the external market by strengthening the capacities of the internal EU energy market. The policy framework presented in the Green paper presented three principal policy areas to strengthen the internal EU energy market. These included *sustainability* – to diversify of energy sources across Europe and actively combat climate change by promoting renewable energy sources and energy efficiency; *competitiveness* –to improve competitiveness within the unified energy market by targeting the efficiency of the European energy grid²; *security of supply* –to better coordinate the energy supply and demand of EU on the international context (Green paper [COM 2006/105](#)). While developing the three principles, the EU identified policy priorities for each principle: (i) Complete the internal electricity and gas markets, (ii) Ensure security of supply and solidarity among Member States, (iii) Pursue a sustainable, efficient and diverse energy mix, (iv) Tackle climate change, (v) Develop Research and innovation and set up the strategic energy technology plan, (vi) Create a coherent external energy policy.

The EC Staff Working Document (Brussels, 16.11.2006 SEC (2006) 1500) on green paper consultations illustrates more in depth the essence of the energy policy by that

² European energy grid

time. The consultation process demonstrated that the wider public confirmed the relevance of building a coherent and integrated energy market. Meanwhile, under the *sustainability* principle, it was found that the “(EU) should position itself at the forefront of tackling climate change ... high priority given to tackling climate change was fully endorsed ... Energy efficiency was the most important and most effective policy instrument to achieve energy policy goals” (ibid, p 53)

The green paper does not specify policies that should be applied directly to the member states but did identify the niche on what and how should be governed in the energy sector. Scholars have argued that the policy framework in the middle 2000s energy sector was still more concerned with the issue of securitization of energy (Daniel K. Jonson et al. 2015; Helm D. 2013; M. Nilsson, L.J. Nilsson, K. Ericsson 2009). However, the content of the policy, (i.e. the 2006 Green paper), was balanced and stressed cohesion and consistency of the energy priorities. Still, the focus was on *building the internal energy market* and mobilizing resources for that. What EU meant was more precisely defined in follow-up Communication documents.

After the Lisbon deliberation (2007) and recognizing the energy sector as a separate chapter in the EU target, there was an attempt to define the conceptual ideas of the green paper into more policy-relevant actions. “An energy policy for Europe” (SEC (2007) 12) reinforced the common energy policy and imposed long-term targets. The document contains action plans on how to make energy more sustainable, secure and affordable in 10 major policy areas. Internal market competitiveness was placed in the first place and discusses how the internal market should be governed and by whom. It also indicated that establishing the European Regulators' Group for Electricity and Gas (ERGEG) had not achieved positive results in terms of implementing and regulating trade among members. That's why the EU suggested turning the Regulatory agency into a European network of independent regulators (“ERGEG+”) – a cross-border network of regulators, market players, power hubs and generators.

The need to reduce CO₂ emitting fossil fuels was mentioned in this 2007 Lisbon agreement before longer term strategies were established. Before articulating longer term energy strategies, the need to reduce dependence on CO₂ emitting fossil fuels was mentioned already in 2007. Low CO₂ fossil fuel meant future without increased

emissions. Coal and gas were targeted under saying that "... (they) remain an important part of our (EU) energy mix" (Lisbon Treaty, Ibid, p176).

Low carbon perspectives and direct measures for building the unified clean and stronger energy market was reinforced by the concept of energy union and roadmap targeting the energy revolution.

1.1.3 Securing the Energy Market to Secure the Future

The content of EU energy targets was remerged with new strategic documents and directives developed on later stages. Accelerated the comprehensive EU energy policy showed the areas where EC needed to mobilize the common resources and step forward. In this matter, four main documents outlined the baseline of the EU energy policy (i) "Energy 2020: A strategy for competitive, sustainable and secure energy"; (ii) "A policy framework for climate and energy in the period from 2020 to 2030"; (iii) "Energy Roadmap 2050". These documents are artifacts that lays out the EU energy policy in a nutshell and introduced the policy binding measures to member states and creates the background for *Energy Union* concept which was introduced in the (iv) Energy Union Package.

Before the applying the Energy Union concept into the playground, the policy rhetoric became more *decarbonized* in later in 2020, 2030 Energy Strategies and Energy Roadmap map for 2050.

The core focus of "Energy 2020: A strategy for competitive, sustainable and secure energy" (Brussels, 10.11.2010 COM (2010) 639 final) was also a strong emphasis on the decarbonizing the energy resources and moving towards the energy mix scenarios where the diversification of sources becomes a solution. The strategy states that the aim is to achieve the less greenhouse emission and the introducing the quantified indicators that are major assessment tool of the successful implementation of the strategy.

"... EU aims to reduce its greenhouse gas emissions by at least 20%" and more renewable energy mix ...to at least 20% of consumption" (Energy 2020, p2).

The strong attention was paid to the market, investments and financial aspects of the energy consumption and production.

EC imposed directive that member states should achieve a 10% share of renewable energy in their transport sector. As a policy measures 2020 energy framework formalized the need of strengthening and harmonization of EU Emissions Trading System(ETS) covering large industrial emitters; effort-sharing (ESD) among member states for non-ETS sectors (transport, building, agriculture); a renewable energy directive (RED) for promoting renewable energy sources; and the world's first legal framework for safe capture and storage of carbon (CCS); Strategic Energy Technology Plan (SET Plans) to generate the development and deployment of low carbon technologies. These policy means were put in the place to bring the change and standardize the transition process to more competitive, sustainable and secure energy. The emission indicators are connected to the Consumer rights and investments in building infrastructure were mentioned among the key priorities.

However, having the focus on the technological and quantified aspects of the energy policy the document was operating in the frames of the three ground pillars of EU energy policy

The document was clearly stating the requirements to the member states and stressing the quick implementation of the 2020 framework (p 20). It asks member government to develop the National Energy Efficient Action Plans. The important part here is that EU takes into consideration the starting point status of the policy initiative and “national circumstances” in the process of defining the nature of action plans. Nonetheless, states that mechanisms should “feed into the Europe 2020 objective for energy efficiency” (p 9”).

The content of actions attached to the priorities was mostly concerned with the market uptake and integrity which was directly embedded within the securitization of the energy and external dependency. The rebooted process of 2020 energy framework implementation was justified by the technicality of the policy process at EU. To build the blocks of 2020 Energy framework, it was necessary to develop set of outcomes – “standards, rules, regulations, plans, projects, financial and human resources,

technology markets, social expectations etc.” (2020 Strategy ibid p 20). This was reflected in the process of making energy policy absolute and less aspirational for the member states (Kizemko 2012)³.

Abstraction of the material showed that the decarbonization and market integrity were necessary to achieve the secured energy for the European citizens.

1.1.4 Increasing the Sustainability of Energy

A policy framework for 2030 modified the quantified indicators - a 40% cut in greenhouse gas emissions compared to 1990 levels; 27% share of renewable energy consumption and 27% energy savings. The framework strongly stressed the importance of private investment in new pipelines, electricity networks, and low-carbon technology.

By 2030 framework EC addressed the issue of energy governance officially for advancing the policy coordination on a European level. Member states became obliged to develop the national action plans and confirm them with EC. This meant to be the soft pressure over the member states to be adjusted to the objectives and target of Union. Although the member states had an opportunity to define the nature of action plans, the clear indicators still were imposed by EC. This framed the flexibility that member states had. The indicators were clear, such as

“energy price differentials; diversification of energy imports and end-consumption mix; deployment of the smart grid; liberalization of gas and electricity markets; competition and market concentration on energy markets and technological innovation”

This becomes another set of concepts and policy ideas that clearly illustrates essence of EU energy policy. The way the frameworks were put in place for national governments illustrations what the EU energy governance looks like. By addressing the idea of EU energy governance, another greater concept was emerging.

³ Kuzemko, C., (2012). Energy Policy in Transition: Sustainability with security. P 198, In Dynamics of energy governance in Europe and Russia (pp. 1-19). Palgrave Macmillan, London.

A low-carbon economy is a buzzword for the Energy Roadmap 2050 (Energy Roadmap, 2050, 2011, 885 final). The whole policy content is wrapped about the slogan that “decarbonization is feasible”. The goal is to cut greenhouse gas emissions by 80–95 % by 2050. This target is mostly discussed in frames for the economic sustainability of the Union. The roadmap is demonstrating that low carbon future by any scenario is cheaper for whole Europe than following the path without transition for cleaner energy. Energy Roadmap set out four main policy directions: *energy efficiency, renewable energy, nuclear energy, and carbon capture and storage* (Energy Roadmap, 2050, 2011).

The clear red light was given to coal and nuclear energy are irrelevant for future scenarios. The fair transition is addressed in terms of enhanced social dialogue involving citizens and consumers. The roadmap is not missing the decarbonization process on energy end-users level. This policy development transformed into something bigger than just rearranging the EU energy governance.

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⁴ Energy Roadmap, 2050, 2011 COM(2011) 885 final <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0885&from=EN>

⁵ See: Odenberger, M., Kjærstad, J., & Johnsson, F. (2013). Prospects for CCS in the EU energy roadmap to 2050. *Energy Procedia*, 37, 7573-7581.

1.1.5 Unification of the Energy Policy

While the targets for 2020, 2030 and 2050 were already set by EU, in 2014 presidential election of European Commission, Jean-Claude Juncker addressed energy right in his second priority.

Energy Union Package (2015), imposed new sets of the EC emphasizes on streamlining process within the governance process. This means that the policy outcomes were consolidated into one plan, one report, and one monitoring document. The roles of stakeholders were significantly addressed in the package. The later commission stated that "...an 'iterative process' between member states and the Commission forms the cornerstone of the governance process (Energy Union, EC press release 2017)". The process involves engaging the wider set of stakeholders to spur dialogue regarding energy policy, to inform the public and bring them into the energy transition process. This means that the public can give feedback (and thus potentially reshape) the energy Union package, which elevates the importance of understanding how the energy targets set are understood by the wide range of energy sector agents.

To address the challenge during his presidency, he aimed to reorganize Europe's energy policy in a new European *Energy Union*. The target of making EU as the world number one actor in renewable energies complimented the three broader mutual aims of – sustainability, competitiveness, and security. All energy and climate policy frameworks were embedded in the "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy" (Energy Union Package COM/2015/080 final).

The concept also brands EU as a global leader aiming to be proactive in climate change fight and wraps the EU as a whole and harmonized organism. After introducing the concept, there are no separate strategies of the framework that the EU energy governance relies on. Energy Union integrates a series of policy areas into one cohesive strategy.

The Energy Union concept is based on the five dimensions. These are:

- Energy security, solidarity, and trust;

- A fully integrated European energy market;
- Energy efficiency contributing to the moderation of demand;
- Decarbonizing the economy;
- Research, Innovation, and Competitiveness

For the first time, EC envisioned the energy policy with European citizens at its core, mentioning that future is “...when citizens take ownership of the energy transition” (Ibid, p 2). This was an important passage where EC introduced two important paradigms – “citizens at its core” and “energy transition”. Both were mentioned in terms of change the consumption behavior of citizens for the smooth transition (Benefit from new technologies, support technology diffusion, reduce energy bills etc.).

Energy Union concept was a logical continuation of crafting the Eu energy policy and governance. As we saw, at the beginning of the process, EU starting with legitimization the needs and challenges facing the EU energy sector. This was the main results of summative strategic documents that institutionalized the challenges – sustainable, secure and competitive energy – in rhetoric and maintained this policy area in upcoming actions. As the process evolved into bigger phase, Commission stated to specify the targets and visions, and this was all about identifying the areas where EU could have policy impact. Obtaining the recognition of energy targets which not only included the quantified but also qualitative aspects, such as recognizing the climate change discourse, renewables as a cleaner energy source, low carbon economies to deliver the economic growth, integrated energy markets. While disseminating these key guiding principles in the several directives and supportive strategies, EC started to reshape the energy policies from pan-European to national levels. It kept the three benchmarks as indicative renewables trajectory for member states. These milestones are 24% in 2023, 40% in 2025 and 60% in 2027 applicable at both EU and member state levels. In EC understanding “this will guarantee that all EU countries make a constant and incremental contribution towards the final goal”.

The critical abstraction that was made in the Energy Union Package was increasing the cohesion and compatibility of the three pillars – sustainability, competitiveness and

security of the EU energy governance. At the same time, it was addressing the unification of the energy policy which is synergizing the targets and policy outcomes complementing the previously adopted long-term strategies.

The Energy Union package devoted a chapter on EU energy governance (ibid p17). It defined the energy governance as monitoring the process on EU, national and local level to meet the targets longer-term policy coherence. In terms of monitoring, EC set the streamlining process as a requirement for national governments. There were defined four major objectives of Energy Union package governance, such as: (i) Meet Energy Union objectives (notably the 2030 targets, including a 2050 perspective); (ii) Enhance investor certainty and predictability; (iii) Promote Better Regulation and reduce administrative burden; (iv) Ensure compliance with the EU's international climate commitments. The subject of the governance were national states. There was identified three elements of the Energy Union governance:

- National Integrated Energy and Climate Plans (2021 to 2030) (preparation well before 2020)
- National progress reports (from 2021, every two years)
- European Commission monitoring (State of the Energy Union)

Looking at the overall elements of Energy Union governance package draws our attention to understand the wider picture of EU energy governance and the policy network roles in it. In the next section, I will theorize the energy governance framework by describing the Open Method Coordination of EU governance, its limitations and place policy networks as a significant instrument in it.

1.2 EU ENERGY POLICY NETWORKS AND GOVERNANCE MODE OF EU ENERGY POLICY

The European Union is governed by a complex mix of different modes which makes the Union a “sui generis” type of organization. Common observation indicates that the governance mix includes the three broad categories of hierarchical, network and market modes of governance. But the energy policy context clearly demonstrates that EU governance of the energy sector should be done using regulatory and law-making instruments, but also applies the network governance aspects and open method of coordination to achieve actual energy transition. The scholarship here is rather blurry and gives different explanations to describe EU governance in general. But does not explain the governance process itself. (Blauberger, M., & Rittberger, B. 2015; Tömmel, I. 2016; Graziano, P. R., & Halpern, C. 2016, Szulecki, K., & Westphal, K. 2018). Energy problems exhibit “marked complexity and interdependence with various other spheres of public intervention” (Prontera 2009) which makes it more difficult to examine how it is governed.

As described before, recent developments in energy sector illustrates that agreement between national states and the EU about certain problems, framing the challenges, identifying the visions and concepts is a continuous process (Szulecki, K., Fischer at al.2016; Koirala, B. P., at al 2016). As a result, it is hard to outline the energy governance mode from one angle. This is why EU governance modes should be put into different boxes that reveal the essence of it. Exploring certain aspects of main governance modes brings clarity to how the energy is governed in EU context, how policy networks emerge and what are missing links in the policy-making process. To address these questions, we will explain the regulatory, multilevel, network modes of governance regarding the development and implementation of energy policy. This is important because there is a lack of studies that focus on the nature of EU energy governance (except attempts Ringel, M., & Knodt, M. 2018;).

1.2.1 Regulatory State

While European governance of energy is still considered as being a “soft” approach that intends to steer behavior without legally binding action (Ringel, M., & Knodt, M. 2018, p 210), it still has a strong regulative character. The “soft” approached are still

cohabitating with other “classical” instruments, in particular the regulatory. planning (Prontera 2009). Although the laws did not strongly bind states for specific commitments, by 2010 the EU had managed to accumulate over 350 energy policy legal instruments (Benson, D., & Russel, D. 2015). This reflects the EU’s roles as a “regulatory state” as described by Majone (1996). The idea of regulatory governance is that the EU becomes a complex system of structures (EU-level rules) that leads EU member states into ‘self-steering’, implementing policies at the national level (Saurugger, S. 2013, 109). The logical assumption here is that, while national states are the implementing the rules, they are also supposed to reshape them.

In this regard, Energy policy becomes an interesting case since its development slowly engaged member states in redefining the targets and conflicts between the EC and the member states, it still had rule regulatory power by secondary regulations, such as directives, agreement. Taking this into account, national governments are still proceeding with the EU-wide energy targets and acting accordingly. Doing so, however, created a coordination problem on the national level, which member states have responded to by establishing regulatory agencies to coordinate the implementation of EU acts and directives (Coen, D., & Thatcher, M. 2008) This process was explained by Dryzek and Dunleavy noting that despite resistance, policy is still implemented because policy-makers “change from the status quo in many small and reversible steps” (2009: 51) which minimizes policy failure and an attendant loss of public popularity.. EU regulation of policy implementation raises critical points that can be considered as a gap in governance. Analyzing the mode of governance shows that there is an emphasis placed on formal constructions and instruments of the policy (such as regulations or directives), which neglects the idea that the policy-making process involves both formal and informal channels of policy-making. as a result, the question of democratic legitimization of policies becomes critical in this mode of governance (Gilardi 2010). Lack of legitimacy means that the government still delivers the policy outcomes, but it is functionalized so that there is a lack of understanding policy itself by policy-makers and wider public.

1.2.2 Multilevel Governance

The question of coordination is also an important aspect of the multilevel governance (MLG) mode of the EU. Multilevel governance is seen as "...a system of continuous negotiation among nested governments at several territorial tiers supranational, national, regional and local as the result of a broad process of institutional creation and decisional reallocation" (Mark G 1993, p 392). Multilevel governance became a buzzword to describe the EU main governance trends but coherently explains the policy-making process. However, a key assumption of multilevel governance is that the role played by national or local actors must be taken into consideration. Accordingly, the coordination and policy development process are made by actors who have different backgrounds but share the same objectives areas (Koch and Eising 1999).

Reshaping the essence of policy via multilevel governance does not ignore the fact that conflict often arises as part of the process. Coordination comes by recognizing the interdependence that actors have with each other in relation to the policy. Tradeoffs among the national and European levels are the distinguishing character of the MLG. The coordination comes in two shapes -horizontal and vertical interdependence. Vertical coordination focuses on how objectives and content of the EU directives are brought down to the bottom in the governance system (Tyge Kjaer and Jan Andersen 2017). Thus, it recognizes the need of input from the local level and collaboration among the local national, region and EU level actors to formulate the policies and implement them.

Horizontal coordination recognizes that the actors involved in the policy-making process are not on the same level and that there is a certain pattern of what is happening within the levels. Horizontal coordination consists of two main elements: horizontal coordination at the national level among and between the different actors (Marks, G., Hooghe, L., & Blank, K. 1996; Tyge Kjaer and Jan Andersen 2017).

Tyge and Andersen (2017) outlined the MLG features in the energy sector (See table N1). The horizontal and vertical integration of energy efficiency policy between the different governmental levels remains an issue in many European countries (MultEE, 2017)

One example of this is the lack of harmonization that often exists between energy efficiency plans (Energy Union, 2030, 2050 packages) at the municipal, regional and national levels which sometimes pursue divergent goals. This is the case in Poland, where Energy Union targets were perceived negatively, and the national government, with its post-communist economic legacy and a high reliance on locally produced, coal-based energy, found it hard to agree on the target imposed in the packages. (Szulecki et al, 2017)

MULTILEVEL ENERGY POLICY: PLANNING AND IMPLEMENTATION			
	THE WHOLE PICTURE	ACTIVITIES	INSTRUMENTS
	Global level -Paris Agreement	Goal Setting -defining the goals	Negotiation -Cops, MOPs,
	EU Level -Integrates RES and Energy Efficiency	Goal Setting -Binding Goals -Instruction for MS	Directive -Supporting structures -Guidelines for national impl.
	National Level -Integrated national energy and climate plan	Goal and Policies -National Action Plans	National Policies -Financial support, research and development
	Regional Level -Strategic energy planning	Strategies -Strategic Plans	Regional Strategies -Strategic planning, network, business development
	Local Level -Sustainable energy action plan	Supporting -action plans, support local, regional national	Realization -Planning, local cooperation, partnership
	ACTORS	IMPLEMENTATION	INCENTIVES, SUPPORT

Table 1.1. The model of multilevel governance of energy (Tyge and Andersen , 2017)

Participation is vital for the MLG mode since it assumes that vertical and horizontal coordination give platforms for society to give input on a policy matter. Sabine Saurugger (2009) explores the emergence of this participatory turn in official discourse and its transformation into a norm. For her, The White Paper on European Governance,

published in July 2001, can be viewed as the result of a long process of consultation influenced by norms emerging and being reinforced at the national and international levels regarding participatory democracy. The white paper brings up another mode of governance that explains the pattern of wider public participation in crafting the policies. The governance concept of the MLG requires that action of public and private agencies are coordinated and given common direction and meaning (Zito R. A. 2017) The question becomes how these common direction and meanings are institutionalized in the regulations, strategies, directives, guidelines, roadmaps and etc. There is a clear understanding that the common directions and shaping of meanings is one of the essential parts of the governance according to MLG.

1.2.3 Policy Network Governance

Policy networks and their emergence is studied both by governance and EU integration scholars. (Howlett, M. 2009, Howlett, M., & Rayner, J. 2007). In MLG, networks can come into play when there is a need to bring a policy to the local level – ensuring that policies are coherent on every level of the EU governance arrangements. A common observation in the energy context is that this process of re-adoption of the policies on the local and regional levels requires adaptations to local conditions. The overarching guiding principles should be retained, but the content of the policies must be fit into the local context. Policy networks are considered as a policy instrument to make the policy happen (Hanf. K, 2003). Policy networks here is understood as systems where policy actors are developing the pattern of interaction, recognizing the interdependence and communication aims at policy problems. This process of pattern development means that the policy concepts, objectives and challenges are transferred to the different levels of the governance and thus to policy networks wherever they stand within the multilevel governance. EU policy networks can operate on different levels, including transnational, regional, local and pan-European. Policy networks exchange the resources and share the norms and interests (Saurugger S, 2013, 114-115). There are several relevant theoretical assumptions regarding policy network governance. First, network governance assumes that there is less hierarchical dependence in the policy-making process, the decision-making process is disaggregated. This assumption tells that the comitology of the EU is

open to experts who are able to shape the policies and that the networks of actors can modify the national preferences and introduce new challenges to the agenda (Saurugger S, 2013, p 116-117). The negotiation process for setting up the agenda, defining the problems and policy objectives often occurs simultaneously.

Scholars have theorized that policy network governance often is focused on problem-solving mechanisms (Zito R.A 2017) with two important forms of problem-solving, identified by Maynts (1993) as: (1) recognition and realization of the mutual dependency on others and the need for network coordination, and (2) the requirement to have greater knowledge of modern complex problems and causal linkages that shape them. This is the aspect where shared understanding beyond the automatization of policy process becomes important. Via policy networks the EU aims to bring legitimacy and meaning to the policy-making process. Writing about the problem-solving and mission development process in EU, Mazzucato (2018) defined certain reasons for why wider coordination with policy actors are important in establishing the agreement on missions. One reason is that the risk of alienation from the broader public and a purely technocratic approach is too high (Mazzucato 2018). The risk of automatization of the policy coordination and implementation process forces the EC to established wider legitimacy to the decisions (such as establishing Energy Union) so the actors will be informed and agree on the playing field as the EU moves forward. Under the new suggestion on governance the innovation and sustainability (Mazzucato 2018), notes that participation of civil society organizations in concrete projects is considered as crucial “to facilitate open dialogues on expected outcomes and practical applicability of solutions (ibid 2018, p20).

If projecting this logic to the Energy Union context we can see that Research Innovation funding scheme of the EU – Horizon 2020 allocated certain resources for concrete projects. Horizon 2020 Energy Work Program aims to bring this concrete project into existence and reach some objectives, such as reducing energy consumption and carbon footprint; low-cost, low-carbon electricity supply and etc. The contrate project rebooted the interconnection among the different actors from the energy sector coming from the different ideological perspectives. On the one hand, formal policies supported the emergence number of regulatory networks but on the other hand, policy networks at the

local level emerged. Desk research for the current thesis identified at least 26 policy networks operating and supporting the EC energy targets on local, national and pan European transnational level (see table 1.2). The missions of the networks are strongly tied to the EU common energy and climate change targets and aiming to deliver the policy coherence on multiple levels.

<i>Examples of EU Energy Policy Networks</i>		
<i>Network</i>	<i>Purpose</i>	<i>Website</i>
<i>Energy Cities</i>	represent interests and influence the policies and proposals made by European Union institutions in the fields of energy, environmental protection, and urban policy	http://www.energy-cities.eu/
<i>Covenant of Mayors</i>	works with municipalities to assess them and make them commit to reaching its CO2 reduction target by 2020	https://www.covenantofmayors.eu/
<i>Managenergy</i>	provides up-to-date information that helps local and regional public authorities, energy agencies and other organizations implement EU energy policies and foster investment in renewable energy and energy efficiency markets	https://www.managenergy.eu/
<i>Energy Consulting Network</i>	make a professional contribution to the dissemination of sustainable energy and environmental systems. EC Network possesses expertise and experience to help at every stage of the process in energy and environmental projects, from strategy development to the actual implementation/commissioning of organizational and technical measures	http://ecnetwork.dk/

Table 1.2 Energy policy network in EU.

(Based on <http://www.covenantofmayors.eu>, <http://www.energycities.eu>, <http://www.managenergy.net>)

This chapter leads to a conclusion that EU energy policy is the black box for articulating the various energy aims, policy targets, challenges, and concepts. The Development process clearly demonstrated that the shift in policies happened by imposing the new concepts, meanings, and frames of understanding. Governance of EU energy is concerned with transferring the energy policy objectives from EU to the national government. In this process, the meanings are not missed out and the governance modes described above are sometimes partially or limitedly addressing the matter of meaningful policymaking. In Policy network governance we saw that the way actors perceive the problem or confirm the objective reflects in creating the policy supportive

instruments. As we proceed further, it is needed to see how recent constructions of EU energy policy is creating a platform from which policy networks as non-formal institutional instruments emerge.

2. THEORETICAL BACKGROUND: COMBINING THE POLICY NETWORK FORMATION AND INSTITUTIONS

2.1 POLICY NETWORK FORMATION

2.1.1 Defining policy networks

Over the last decades, networks have been recognized both by scholars and practitioners as an important form of governance. Theory on network governance was a result of developments in the fields of political science, public policy, inter-organizational theory, and public administration. Since the first attempts of network governance analysis (Harf & Scharpf 1978), researchers have debated the merits of different theoretical frameworks for analyzing network governance and policy networks. This includes definitions, analytical tools and methodologies for exploring networks in ‘real life’.

Sørensen and Torfing (2007) in a fundamental study of network governance outline two main streams of the network governance literature, where the first concentrated on distinguishing network governance from the market and hierarchical modes of governance, seeking to recognize network governance as a separate form. (Dowding, K. 1995 Atkinson, M.M., and W.D. Coleman. 1992, Powell, W. 1990). The later pillar in the research agenda has been dominated by issues such as functional aspects of networks, factors for their failure and success and the democratic implications of networks (Provan, K.G. and H.B. Milward. 2001, 1995, Sørensen and Torfing (2007)). Although, there has been a strong emphasis on specific aspects of policy network theory, questions regarding network formation have been relatively understudied (Toke 2002, Lewis 2011). Hay (1998) for example, has written that network formation is “sadly overlooked”. Before exploring the question of policy network formation, , we

should answer clarify what exactly we mean by the terms policy networks and network governance.

“Network” has been used in a number of scientific disciplines to describe cell interactions, neural networks, the living environment and social structures. This has led to the establishment of the term “network” as a paradigm that describes the “architecture of complexity’ (Kenis and Schneider 1991, p.25).

As Börzel notes, even when we narrow the focus on networks to the policy domain, there is “Babylonian variety of different understandings and applications of the policy network concept” (1997, p.254). The common and less conflicted definition is that a policy network is a “set of relatively stable relationships which are of non-hierarchical and interdependent in nature linking a variety of actors, who share common interests with regard to a policy and who exchange resources to pursue these shared interests acknowledging that co-operation is the best way to achieve common goals” (Börzel, 1997, p.254).

But beyond this, definitions diverge, depending on the theoretical stance of the author.

Rhodes (2006) writes that the initial idea of the policy network concept was connected to the “iron triangle” (Freeman and Stevens 1987, 12-13, as cited in Rhodes 2006), describing the American perspective on networks with “triangular nature of the links, with the central government agency, the Congressional Committee and the interest group enjoying an almost symbiotic interaction” (Ibid p2).

March and Rhodes (1992) defined networks as a microlevel concepts including the micro-level, concerned with the role of interests and government in policy making and macro-level, concerned with broader questions about the distribution of power in modern society.

Even the policy network is a generic term and as a cluster of terms, thesis tried to describe the networks in political science and narrowing it down further with the relevant definition. The definition, relevant for the current thesis, that will be maintained as a guiding understanding of the policy network belongs to the British school of network governance studies. According to Rhodes (2006), their definition of

policy networks are as “sets of formal institutional and informal linkages between governmental and other actors structured around shared if endlessly negotiated beliefs and interests in public policy making and implementation”.

In this thesis, I treat policy networks as institutions, arguing that the formation and dynamics of policy networks are deeply connected to their institutionalization.

Hence, Sorensen and Torfing (2007) notes that although policy networks cannot be strictly analyzed as institutions, networks still contain the “relatively institutionalized frameworks of negotiated interaction within which different actors struggle with each other, create opportunities for joint decisions...” (Ibid. 2007, p 27)

The concept of policy networks as non-formal institutions is essential in political sciences and it has been addressed by several studies. Marsh and Oslen (2006) defined institutions as “a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources...” (Ibid. 2006. P. 1). As argued by B Guy Peters (2007) institutionalizations can create normative structures that affect the individual or organizational behavior of members of the network.

2.1.2 Policy Network Formation

Several studies addressed the question of policy network formation, focusing on causal explanations of emergence using organizational and rational choice theory, economic institutionalism or historical institutionalism (Blom-Hansen 1997; Brunn 2002; Krauthep 2010; Raab 2002; Toke 2002, Ebers 1997).

In this thesis, two procedural understandings of network formation are combined. Gray (1985) distinguished between the problem setting, direction setting, and structuring phases of collaboration (Formalizing the collaboration). According to the phases involved “identification of stakeholders within a domain and mutual acknowledgment of the issue which joins them”, “the values that guide their individual pursuits” and “institutionalized interactions”. Meanwhile, Larson (1992) addresses additional aspects of network formation, such as the pre-networking phase, which indicates interaction among core network actors.

Phase	Pre-networking	Problem setting	Direction Setting	Formalizing the Collaboration
Features	Policy initiative is taken, the initiator must decide upon whom to include or not include in the process.	Identification of stakeholders within a domain and mutual acknowledgment of the issue which joins them	Identify and appreciate a sense of common purpose	Interactions are institutionalized and formal structures for collaboration established
Actors Involved	Initiator Actors	All Actors	All Actors	All Actors

TABLE 3.1 Phases of Policy Network Formation. Adopted version (Gray 1985; Larson 1992)

Brunn (2002) outlines, for understanding the PNF we should look not at the structural definition of the network but focus instead on the process. Therefore, the network formation here is defined as a process of setting up the formal institutional and informal linkages among policy actors

2.2 NEW INSTITUTIONALISM: GIVING THE MEANING TO POLICY NETWORK FORMATION

Scholarship on New Institutionalism (NI) began in the late 1980s as a reaction to the dominance of behaviouralism and rational choice theory in political science. The focus on institutions as a foundational concept in the social sciences gave rise to a variety of new institutionalist approaches (Nee v 2003.) The guiding argument of New Institutionalism is that the institutions matter for how the politics is made in the real world. Institutions here was defined as an essential variable itself that explains political processes; framing and giving meaning to the interaction among institution members and providing the context within which interactions take place.

Peter A. Hall and Rosemary C.R. Taylor identify three general approaches that scholars have taken when analyzing institutions: rational choice institutionalism, historical institutionalism and sociological institutionalism (Hall and Taylor 1996, p. 936). But the

number of perspectives has been identified, such as Discursive, Social Constructivism Institutionalism. Each of them maintained the core argument of NI regarding intuitional significance but used different ways to explain them. Keeping in mind the varieties of New institutionalism, there is a need to define which institutionalism can better explain network formation in the new EU energy policy context where the concepts, meanings, understandings and wider scope of social actors are critical elements of governance. New Institutionalism as a trend and research agenda is considered with the questions above as the main aspect to understand social interaction and development. Although they contain many differences, it is still possible to identify the key grounding argument of all the NIs regarding policy networks, where networks, as institutions are understood to be “stable patterns of interaction among the actors within an organization, or ... a collection of organizations” (Sorensen, Torfing 2007).

There have been developed various explanations for the emergence of policy networks using organizational, rational choice (Scharpf, F. W. 1997) and resource dependency theories (Klijn, E. H. 1997), suggesting that networks are emerging when actors lack specific resources. These set of theories view networks as institutions as rational actors that build on egocentric, benefit maximization and opportunistic behavior (Borzel 1998). According to Rational Choice Institutionalism, institutions are defined more narrowly, comprised as the formal and informal rules that govern the institution. These rules determine the external and internal conditionality of actors to act and decide rationally. The formation of governance networks is derived from the presence of collective action problems. The theory tells that in governance networks, the actors, even if they are dependent on each other’s capacities, resources and expertise, still have moderate autonomy.

The explanations described above were criticized from the more decentered and interpretative approach, arguing the importance of “consensual knowledge, ideas, beliefs and values in the study of networks” (Borzel 1998). Followers of this approach focus on the traditions shaping and being reshaped by interactions (Bevir and Rhodes 2003), interpretation of meanings and beliefs. The EU energy governance context outlined earlier in the thesis is the key argument for us to assume that Borzel’s (1998) perspectives are valid and relevant to focus upon. Understanding the essence of

arguments of other New Institutions explains more why to focus on meanings, concepts, and understandings.

Historical institutionalism defines institutions “as the ensemble of formal and informal rules, norms, and procedures that regulate the political activities of collective actors” (Sorensen, Torfing 2007, p31). The suggested explanation of governance networks formation according to historical institutionalism is that actors come to together to deal with “institutional and organizational fragmentation” (Sorensen, Torfing 2007 p. 32). The exchange will result in a “loosely defined set of rules, norms and procedures that channel, guide and sustain further interaction within the network and thereby enhance its robustness.” (Ibid, p 32). The key argument why institutions are created is that their historical trajectory tends to shape the interactions among the actors and guide institutional processes.

Scott (1987) suggested an alternative definition of institutionalism, where the roots of the organizations are cognitive, normative, regulative features. In a sociological sense, the regulative is not similar to the rational choice institutionalism, where the institutional rules define the institutional environment. Instead, Scott argues that it is about the meaning of rules “that defines those institutions have their influence on individuals”. The normative dimension of Scott’s model has been strongly tied with March and Olsen’s (2004) notion of “logic of appropriateness”, where the focus is on the norms of institutions. In the thesis three “pillars” (Scott 1987) suggested areas of exploring the institutional understanding of policy network emergence.

In the Social Constructivist (Normative) Institutionalism (SCI) the distinguishing pattern is the emphasis on values, meanings and conceptions. Institutions are defined as not only the ensemble of formal and informal rules, norms, and procedures but also the knowledge, values, codes, and conceptions that inform and support them (March, J. G., and Olsen, J. P. (1989). SCI does not exclude the importance of rational choice but views it from a different angle. An actor’s rational choice depends on their context when they are taken into the consideration. The guiding principle for actors in governance networks as institutions are based on the logic of appropriateness and “rational calculation is used post hoc to justify action which is formed by a particular logic of appropriateness” (Eva Sorensen and Jacob Torfing, 2007, p 35) As an analytical

tool, Social Constructivist suggested main assumptions on institutions where the cognitive frames and, shared experiences are the focus (March & Olsen 1898; DiMaggio and Powell 1991; Thatcher 2011). This approach seems the most appropriate analytical framework for responding to my research questions. As a definition of institutions, SCI suggested a focus on the “perspective on institution” rather than defining the institutions in the first place (Peters 2011).

This thesis applies the new social constructive institutional analytical framework to explore policy network formation. To answer the main research question drives us to Social Constructivist Institutionalism (SCI) (Sørensen, E., & Torfing, J. 2007) which stresses on the importance of coherent rules, norms, cognitive paradigms and social imaginaries, interpretations that enforcing the governance networks. The SCI framework provides tools to answer key questions, such as why define networks as institutions? How they come into existence? when their emergence is a meaningful act of human behavior? Much of the research within SCI also deals with the pervasive influence of institutions on human behavior through rules, norms, and cognitive frameworks.

In the EU energy governance context, SCI is usually concerned with interactions between EU and national governments. The SCI framework argues that preferences of member states should be modeled endogenously and can be directly shaped by the EU institutions or largely influenced by the EU norms and laws (Christiansen, Jorgensen, & Wiener, 1999,) In terms of energy policy, context has mainly concentrated on the role of the Commission and its legislative powers that can serve as a credible threat to induce more integration (Pollak & Slominski, 2011; Schmidt, 2001).

2.2.1 SCI perspective on Network formation

SCI theory, in the context of network formation, says that the organizations tend to form the partnership based on the absence of certain resource and capacities. This aspect is the cross-cutting issue between the SCI and resource dependence theory. But Social Constructivist Institutionalism further adds that the selection of who the organizations are including in the collaboration depends on who it is appropriate to contact.

	Definition of PNF	The reason for PNF	Process of PNF
<i>Social Constructivism Institutionalism</i>	Aggregated Formal and informal rules, norms and procedures, the knowledge, values, codes, and conceptions	Logic of Appropriateness	Networks reinforced by shared identity and values.

TABLE 3.2: SCI Explanations of Policy Network Formation PNF (based on Sorensen, Jacob Torfing 2007)

Actors do decisions based on internal rules, norms, values, and conceptions that might be the most appropriate in the given context. The table 2 summarizes the understanding of policy networks as institutions, reasons of network formation and end up points of the formation according to SCI. Policy network formation can be defined as aggregating formal and informal rules, norms and procedures, the knowledge, values, codes, and conceptions. The reason for creating the policy networks is that the networks are perceived as appropriate in the given context to deliver the outcomes. The process of policy network formation includes communalizing the shared identities and values among the members of institutions (Sorensen, Jacob Torfing 2007).

2.2.2 Modeling the successful institution emergence

The model of successful policy network formation cannot be explained by bringing only March and Olsen. Lumping together their scholarships blurs the picture and lacks the clear understand how the institutions are created. It gives limited perspectives on a research agenda. Lacks to clearly define the process of emergence and lack to propose the theory that will explain the successful emergence of the institutions. The current thesis seeks to clarify the framework and combine March, Olsen, and Finnemore and Sikkink studies to model the successful emergence of energy policy networks (March Olsen 2009; Olsen 2010; March, Olsen 1989; Finnemore and Sikkink 1998).

The fundamental perspective being employed by them is that institutions are systems of meaning that defines the nature of the behavior of actors within the institutions. March and Olsen define institutions as “*relatively stable collection of rules and practices*

embedded in structures of resources that make action possible—organizational, financial and staff capabilities, and the structures of meaning that explain and justify behavior - roles, identities and belongings, common purposes, and causal and normative beliefs” (March and Olsen’s 2009, p. 5). The resources and meanings as institutions themselves “organize, enable and restrain actors” (Olsen 2010). According to Marsh and Olsen, structures of meaning define the behavior of certain actor involved in the institutional structures. Structures of meanings are *common purposes, reasons, vocabularies and accounts* (Olsen 2010 p126). Actors within the institutions interpret the environment around them and how they choose certain actions (Balasco 2010) which is defined by structures of meaning.

While actors behave according to *sources* and *meanings*, certain actions are perceived as appropriate, what March and Olsen call the “*logic of appropriateness*” (March and Olsen , 2009). Actors within the institutions are the ones who prescribe the certain behavior and norms of acting in specific conditions and they do it based on what is perceived as appropriate action in the given context. According to the “logic of appropriateness,” action in the is rule-based, driven by rules of appropriate or exemplary behavior (March and Olsen 2009, p. 2). Therefore, actors follow rules because “they are natural, rightful, expected and legitimate” (p. 3). Actors are in constant process of appropriating and prescribing certain behaviors. The influence of rules and identities depends on how the actors interpret them (Olsen 2010, p132 -133). The interpretation becomes a critical part of the definition of what is perceived as an appropriate. When criticizing the rational choice institutionalism when actors do cost-benefit calculations, for Marsh and Olsen (2009).framework actors do an interpretation of meanings they are employing in the institutions. The model of institutional emergence suggests the background of actions is based on the logic of appropriateness and that the structures of meaning reflect the behaviors. In EU energy governance context, the meanings are the policy objectives, priorities, policy outcomes targeted, concepts imposed by the energy 2020, 2030 frameworks and roadmap to 2050.

Another key element of the model is norms. But there is not clear how Marsh and Olsen (2009) distinguish them and place in the model. The idea is that meanings construct the behaviors and norms. But the scholarship lacks the clarity. The precision with the

concept of norms is given by Martha Finnemore and Kathryn Sikkink in their study *International Norm Dynamics and Political Change* (1998). Scholars define the norm as standard appropriate behavior within the given identities and context. Instead of focusing on the rules of behavior, which are a key point in the March and Olsen language, they suggest focusing on norms that guide the behavior. The question of how observable the norms are, they note that “We can only have indirect evidence of norms just as we can only have indirect evidence of most other motivations for political action” (Finnemore and Sikkink 1998, p. 892). Finnemore and Sikkink presented the concept of “norm life cycle” and outline the three main stages: (a) “norm emergence”; (b) “norm cascade” and; (c) “internalization” (p. 895).

In the norm emergence stage, norms emerge due to the action of “norm entrepreneurs” (Finnemore and Sikkink 1998, p. 895). Norm entrepreneurs are actors who seek to promote the specific ideas about what they see as appropriate or desired behavior for a community. This happens by using the tools of “framing”, naming the issues, prioritizing and interpreting them. Norm entrepreneurs often construct these new cognitive frames in environments of already existing norms and thus are forced to compete with and contest these norms. In a discussion of what initially motivates norm entrepreneurs, Finnemore and Sikkink list such factors as empathy, altruism, and ideational commitment (Ibid 1998, p. 895p. 898; Balasco 2010, p 14).

In the norm cascade stage, the norms are adopted and learned. The process includes socializing the norms. In the context of Policy networks, this can be interpreted as adoption and recognition of certain norms by the network members. This is the stage, where “norm breakers” are induced to become “norm followers” Interpretation comes as an important aspect of this stage. Pressure to conform to norms reflects more on the uncertainties of the “demands of identity” and less on the uncertainties of consequences and preferences (March and Olsen 1996, p. 251).

In the norm internalization stage, a norm is internalized when it becomes “taken-for-granted” when actors conform to a norm unquestioningly (Finnemore and Sikkink 1998, p. 904). The norm becomes so widely accepted that it is internalized. Internalization and sedimentation of a norm can also manifest itself in policy through legalization (March and Olsen 2009,p.14).

	<i>Stage 1 Norm emergence</i>	<i>Stage 2 Norm cascade</i>	<i>Stage 3 Internalization</i>
<i>Actors</i>	Norm entrepreneurs	States, networks	Law, professions, bureaucracy
<i>Motives</i>	Altruism, empathy, ideational, commitment	Legitimacy, reputation, esteem	Conformity
<i>Mechanisms</i>	Persuasion	Socialization, institutionalization	Habits

TABLE 3.3: Stages of Norms (Finnemore and Sikkink 1998)

After the laying out the model of the institution building, there is a need to define what should be called successful institution emergence. The focus here should be again on the concept suggested by March and Olsen – *Institutionalization*. According to them, institutionalization is both a process and a property of organizational arrangements. According Olsen (2010) identifies the key elements of institutionalizing increases clarity and agreement on behavioral rules, including the allocation of formal authorization; consensus concerning how behavior is to be described, explained and justified, with a common vocabulary, expectations, and success criteria; shared conceptions of what is legitimate sources and who should control and access the resources (Ibid, p127). But most importantly, the process of institutionalization refers to the *standardization, homogenization, and authorization* of the structures of meaning. This compliments that the normal life cycle approach and has synergy with norm emergence, cascading the norms and internalizing the norms.

Olsen (2010, p 125-128) addressed the questions of what the SCI means by standardization, homogenization and authorization. The theoretical framework developed by the Olsen and March (2009, 2015, 2010) do not set the clear conceptual explanation of the concepts and defined them more vaguely. There are not define defined the assessment criteria of the concepts. Thus the thesis seeks to interpret the conceptual background of institutionalization and make the concept relevant for the studies of the policy network formation. The flexibility also means that the findings at the end of the research might give additional understanding on who the standardization, homogenization and authorization might be defined for the studies of policy network

formation. Olsen (2010) notes that homogenization is process where the concedes about the behaviors is reached, meaning that the members of institutions sharing the same set of structures of meaning and clearly explain the common vocabulary, expectations and concepts (ibid 2010, p127). This means that there is less need to explain and justify why certain concepts, solutions and actions are appropriate for the institutions. In the context of current thesis, members of the network have shared perceptions over the policy problem, policy agenda, solutions and using the same vocabulary when acting within the network.

The Standardization (Olsen 2010) means that there is an agreement on rules of interaction and behavior within the institutions meaning that the actions are perceived as “natural and legitimate” (Ibid, p127). This serves to reduce the uncertainty of the rules. The standardization here is not strictly defined as a formal or legal set of rules that ensures the functionality of the institutions, but more than non-formal instruction on what the institutions should do. The Authorization of the institutions means that there is set of instructions on who is responsible for what in the institutions. The roles and authorizes are defined by the member of the institutions. The key assumptions. The key assumption here made by Olsen (2010) is that the responsibilities and roles are prescribed by members, routinized and taken for granted (Ibid 2010, p 127).

The current thesis argues that the SCI approach to institutional formation is valid and the turn to the meanings, conception and non-formal artifacts is important while understanding how the policy networks come into existence. Furthermore, the successful emergence is something that has not been clearly studied before.

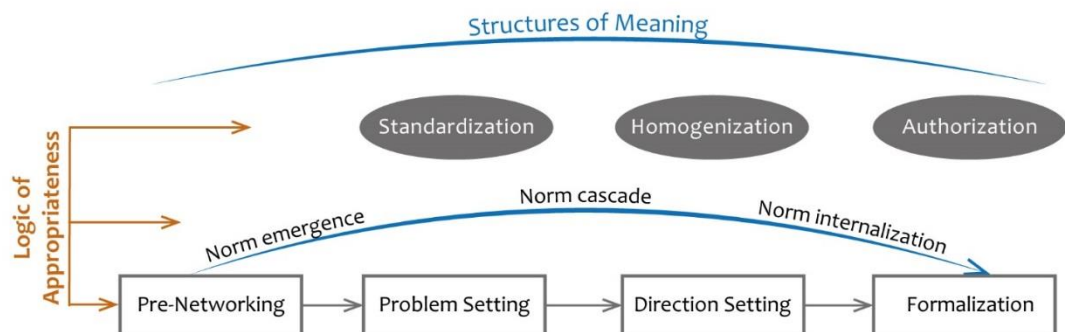


FIGURE 3.1. Model of successful formation of the institution (March Olsen 2009; Olsen 2010; March, Olsen 1989; Finnemore and Sikkink 1998)

Relying on the Marsh and Olsen (2009, Olsen, 2010) models, the institutions have nature of institutionalization process and the successfulness of the policy network formation depends on whether the institutionalization of policy networks happened. The main difference here between the structures of meaning and norms is the aggregation and density. The norms here are concentrated meanings that highlights the elements of the structures of meanings and sets the certain aspects of it in stone (Finnemore and Sikkink 1998, 891). The norm model here helps are to cluster the members in systematic manner. The combination of two models outlined above give us possibility to present the institutionalization process in terms of the policy network formation stages outlined above in the conceptual framework (See figure 1).

Having policy context, theoretical framework applied, the main research question and tentative answer in mind, the current thesis focuses on the following supportive questions:

- How does the EU conceptualize “new energy governance”? How does the EU conceptualize a policy shift towards “new energy governance”?
To answer the main research question first we should have a better understanding what the critical parts of the energy policy in the EU are.
- *How the CEESEN network members perceive the policy issue and the essence of EU new energy governance?* The focus here is to identify the subjective perceptions on appropriate behavior among the network members by focusing on the questions such whether they share ‘policy understandings’ when it comes to the essence of the problem and acceptable solutions? We explore network formation by looking at the extent to which the members share policy meanings.
- *What is a degree of institutionalization process of the CEESEN network?*
The thesis explores the success of network formation by looking at the degree of institutionalization. We will look at the common purposes, reasons, concepts, vocabularies within the network and analysis the institutionalization dimensions of the network where we pay closer attention to standardization, homogenization and authorization of the network formation process. Standardization of structures of meaning is a critical aspect of successful institutionalization. The coherence of structures of meaning should manifest in the agreement among the

network members on appropriate behavior of network members and consensus how certain actions carried out are put in place. Homogenizing the structures of meaning is another aspect of the institutionalization process, which supports the successful emergence of policy networks. The authorization of accounts in the network defines who should do what and have access to within the network. Appropriate behavior during the network formation relates to shared conceptions about the prescribed rules in the network.

3. METHODOLOGY

3.1 Approach of Methodology

The thesis will be a qualitative contribution to the research field. This approach allows having more process-oriented perspective on the policy network formation. The qualitative methodology has a distinguishing character that was relevant for the thesis. The qualitative research strategy originates mainly from the inductive approach meaning that the generated finding allows to reflect on the framework of the research. In our case, the relevance of the methodology was to critically reflect on the theoretical model of the thesis and to generate the results and model of policy network formation model that are “experientially credible” in regard of policy making process in energy sector (Maxwell, 2005, p24).

The selection of research strategy was also connected to the scholarship on the policy networks. As Börzel notes qualitative research methodology brings additional value to reflect on the policy network since “It focuses less on the mere structure of interaction between actors but rather on the content of these interactions using qualitative methods such as in-depth interviews and content and discourse analysis”. (Börzel 1997). The goal of the qualitative research can be twofold: intellectual and practical (Mawell, 2005). Current thesis aims to critically reflect on the successful emergence of the policy network and look at the institutionalization of the structures of meanings.

The purpose of the research is to explore the theoretical argument of the thesis further and reflect on the policy application of the EU energy governance. Thus, thesis to bring the theoretical contribution to the institutionalization and network formation theory and practical recommendation to the policy field. Based on the purpose of the study thesis looks beyond causality explanations and instead search for the in-depth analysis of the PNF.

This was the factor that influenced the decision to apply the qualitative research methodology since the key focus of the method is not simple analysis the meanings in

broader sense but also to understanding the perceptions regarding the meanings (Maxwell, 2005; Neuman, 2011).

3.2 The Single Case Design

The CEESSEN network is part of the EU Horizon2020 program the EU funding guidelines, and EU energy policy directives, such as “Energy Roadmap 2050” (Brussels, 15.12.2011 COM(2011) 885 final) and “Directive 2012/27/EU on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC. The directive and Roadmap are guiding document for the CEESSEN according to the project proposal and Grant Agreement. Therefore, the documents will be studied closely to identify the embedded meanings in it. Afterward, it will allow us to see the perceptions of the network members toward the meanings in the document and translation of them to the local stakeholders.

CEESSEN is the case which is imbedded within the new EU energy governance context and this is the key argument why this network should be studied further. Another key argument is that participatory approach in building the network gives access to the in depth understanding of the process of formation of the network and not only allowed to understand the construction of the network.

Based on the interview the thesis will identify the liner meanings and constructions imposed on the listed materials and then turn to network members, looking at the perspectives of network actors toward this meaning.

The main arguments of selecting the CEESSEN as a case is embedded in the conceptual framework of PNF. Emphasize in the thesis is to study the process of network formation rather than a structural dynamic of networks. Therefore, CEESSEN is the relevant case. Network started the formation since 2016 and during the research project period (till 2018), it evolves all above outlined phases of policy network formation.

Another argument is connected to the Interpretative social science that requires from the researcher to directly participate in the social action and have the closer observation of the other people engaged in the action. Me, as a researcher, have been directly involved in the developing process of the CEESSEN and have personal interaction with the core

stakeholder – forerunner who launched the formation process and with the secondary stakeholder - local members of the CEESSEN in all 10 participating countries in the CEESSEN.

3.3 Qualitative Content Analysis as technique

The thesis uses Qualitative Content Analysis QCA as a technique to evaluate the collected data. In the methodology literature, the QCA is a method to “describe the meaning of qualitative material in a systematic way” (Schreier 2012, p 1). As a technique, the content analysis “provides new insights, increases a researcher's understanding of phenomena, or informs practical actions.” (Krippendorff, K. 2004 p. 18). QCA is done by “classifying the material as instances of the categories of coding frames” (Schreier 2012, p 2).

QCA is the method that gives an opportunity to systematically describe the meaning of qualitative material which is done by analyzing the content of the materials through the codes and frames (Schreier 2012, p. 1). For the Hsieh and E. Shannon (2005) content analysis focuses on the characteristics of language as communication with attention to the content or contextual meaning of the text” (p. 1278). According to the QCA, the data should be collected primarily through interviews, open-ended questions (Hsieh and E. Shannon 2005).

The main idea of using QCA in this research is that I am mainly dealing with the interpretation of the textual materials. The text here is defined as all kinds of qualitative materials. In our case, it was verbal, collected from the interview and textual collected from the network documents. Schreier (2012) defined unit of analysis which in QCA can be keywords, sentences, paragraphs of the textual material. The unit of analysis of the thesis was the paragraphs in the selected materials.

The key arguments for choosing the QCA analysis is that the interpretation is the key what we are looking why assessing the structures of meaning and pattern of the logic of appropriateness. Another key aspect is that the only way to understanding the subjective approach of policy network members is to understand what they tell and what they think should be told. Since the focus of the thesis was to explore the structures of meaning

prescribed by the member of CEESEN network, it was needed to follow more inductive approach. Another reason applying the conventional QCA was the lack of clarity of the methodology in terms of institutionalization and having clear criteria of assessment of the standardization, homogenization, and authorization.

Hsieh and E. Shannon (2005) identified three different models of the QCA: conventional, directive and summative. In the conventional QCA, the study starts with the observation and the content is collected from the data. In the directive, codes are defined before and during data analysis and the study starts with the theory. In summative QCA, the main source of the study is keywords and the keywords are created “from the interest of researchers or review of the literature” (Ibid, 2005, p 1286). For this thesis, we applied the modified version of the direct type of QCA. According to direct QCA “data are collected primarily through interviews, an open-ended question might be used, followed by targeted questions about the predetermined categories” (Hsieh and E. Shannon 2005, p1281). Thesis included the interviews and network documentation to make the data representing the reality of CEESEN network more clearly.

To systematize the implementing of the QCA for the thesis, I followed the steps for conducting the QCA developed by Schreier (2012), such as identifying the research question, selecting the material; building a coding frame; dividing material into units of coding; evaluating and modifying the coding frame; and interpreting the findings.

The research question was defined according to the rationale of the research. As addressed in the introduction chapter of the thesis the EU new energy governance imposed a new set of meanings, concept, policy solutions and this lead to the process when the different instruments of governance were introduced. The question became to assess whether the perceptions towards the EU new energy governance created the platform for the certain modes of governance to emerge. In our case, we turned to the policy networks as policy instruments that are one of the modes of governance to implement the EU new energy policy.

The following steps of the QCA are selecting materials for the data gathering and developing the coding system. In the following sub-chapter, the sampling process of the data and the coding strategy is explained.

3.4 Sampling the materials and developing the coding frame

The selection and sampling the data has followed the rules of purposive sampling of QCA and out case the sampling was done based on pre-defined criteria. As Lopez and Whitehead (2013) defined “pre-selected criteria relevant to a particular research question. Sometimes referred to as ‘judgment sampling’, purposive sampling is designed to provide information-rich cases for in-depth study” (Ibid, p. 124). The logic of the sampling for the thesis was directly connected to the theoretical framework applied in the research. Sampling was done to identify who to interview in the network and what network documentation to study. In the theoretical framework, the PNF defined as stages of the formation, such as pre-networking, problem-setting, direction-setting, formalization. The key criteria to include and exclude respondents was the connection of certain actors to the formation stages. The preliminary study of the CEESSEN network was done to identify the actors attached to the certain formation stages and identify the accessible and formation-relevant network documentation. The table below demonstrates the logic of selection the interviewees.

<i>Levels</i>	<i>What and who?</i>	<i>Resources of data</i>	<i>Network Formation Phases</i>
<i>Core Stakeholders Macro – Level</i>	Four core members of the network from Estonia, Macedonia, Slovenia	Interview transcripts	Pre-networking, Problem setting, Direction Setting,
<i>Local Stakeholders Micro- Level</i>	Four local members from Hungary, Czech Republic, and Estonia	Interview transcripts	Direction Setting, Formalizing the Collaboration

TABLE 4.1: Logic of selection of interviewees for the thesis.

Selecting interview technique allow to get a more personal account from respondents and involve them in a discussion of issues which, perhaps, they did not concern

themselves with before (Bogdan and Ksander 1980). The research included interviews with the four core network members and four secondary members of the network.

Additional criteria for selecting the respondents were to cover the wider representation of the whole CEESEN network. The focus of the thesis was not to demonstrate the country-specific data but study a network as general. Hence, to avoid the lack of representation of the network members, 8 interviews in total were conducted with two core member and one secondary member from Estonia, two secondary members from Hungary, one core member from Slovenia, one core member from Macedonia, one secondary member from the Czech Republic. 7 interviews were conducted during the March-April of 2018 and 1 in October 2017. The interviews were conducted face-to-face with all Estonian and one Hungarian member of the network. Rest of the interviews was used skype. All the interviews were approximately one hour and 10 minutes. The interviews were recorded and transcribed for the analysis. The before each interview, I collected verbal agreement with respondents that their names will stay anonymous and will not be referred in quotes. They agreed to be listed in the reference list.

The interviews were semi-structured with open-ending questions and maintaining the flexibility for the follow-up questions. The interview protocol was developed based on the analytical framework of Social Constructivism Institutionalization applied in the thesis (See the appendix N1). The guiding questions were How CEESEN network members perceive the essence of EU new energy governance? How the network members perceive the policy issue? Do they share 'policy beliefs' when it comes to the essence of the problem and acceptable solutions in CEESEN context? How standardized are the rules of behavior in the CEESEN network? How roles and responsibilities are distributed in the CEESEN network? The general logic of the interviews was to assess the institutionalization of the network based on perceptions of members.

The limitation of the outlined logic of the sampling and selection was the timeframe. The timeframe of the study case is 2016 to 2018 covering all the stages of the CEESEN formation. But the data collected from interviews was only presenting the status of 2018. To mitigate the limitation the triangulation technique was applied which considered as relevant for the qualitative research methodology (Neuman 2011). Triangulation means that the data was drawn from different sources and at different

times, from different people (Flick, Uwe 2004, p 178). It gives possible to study the case from different points and improve accuracy (Neuman 2011). Therefore, the technic was applied to approach the data. Therefore, the thesis included analyzing the one project proposal and one the grant agreement developed in 2016, Regional energy profile package from 2017, synthesis Report for Regional Energy profiles 2018, Content of CEESN digital Platform, Terms and Conditions for the CEESN Platform 2016, Declarations of accession template 2016. Table bellow demonstrates the connection of certain materials to network formation stages

Network Materials	Network formation stages
<i>Project proposal “PANEL2050 – Partnership for New Energy Leadership”</i>	Pre-networking
<i>Grant Agreement, “PANEL2050 – Partnership for New Energy Leadership”</i>	Pre-networking, Problem setting
<i>Regional Energy Profile Package</i>	Problem setting, Direction setting
<i>Synthesis Report for Regional Energy profiles</i>	Problem setting, Direction setting
<i>Terms and Conditions for the CEESN Platform</i>	Problem setting, Direction setting, formalization
<i>Declarations of accession template, CEESN, 2016</i>	Pre-networking
<i>CEESN Digital Platform</i>	Problem setting, direction setting

TABLE 4.2: Logic of selection of network materials for the thesis.

The next step was to build the coding frame for analyzing the collecting data. In QCA there is two ways to build the categories, such as theory-driven (inductive) and data-driven (deductive). Theory-driven approach categories are derived from the relevant theoretical literature. The categories are strictly grounded in theory. In our case, applied theoretical framework was not giving very clear boundaries of the concepts. In data-drive model, categories are developed based on preliminary coding of data. For our research, the basic categories were developed the coding categories were developed partially based on theoretical framework. But coding system was also based on the observations of the policy context and interpretation of the meanings (policy aims, problems, solutions, vocabularies (March and Olsen 2009) attached to the EU new energy governance. On later stage, via open-coding of empirical data also helped to

identify the additional categories. (See the appendix N2). Initial coding frame was used to categories the text into frame. On the first stage, the coding frame was applied to analyze the interviews first to assess the relevance of frame. After using the initial frame for the interviews and identifying the additional categories, thesis applied it to the rest of the data sources.

4. RESULTS AND DISCUSSION

4.1 PERCEPTIONS OF THE ESSENCE OF EU NEW ENERGY GOVERNANCE IN CEESSEN

In the following chapter, thesis addresses the homogenization, standardization and authorization aspects of the institutionalization in the CEESSEN network. First sub-chapter presents data about the homogenization of network - interpretations of network members regarding the EU new energy governance and policy frames in CEE region. The data for first sub-chapter was collected mainly from the interviews and from the project proposal, grant agreement, synthesis report. The second-sub-chapter includes data regarding the standardization and authorization of the network. The data is based on the network documents, that are addressing the distribution of rules and roles in the network, such as the project proposal, grant agreement, synthesis report, and steering committee notes. To understand the census of network members regarding the rules and roles, in second subchapter, I also looked at the interpretations of CEESSEN rules and roles by the members. In the final part of discussion, thesis reflects on the network formation stages and outlines the main results of the research.

4.1.1 Interpreting the policy frameworks

In the CEESSEN the perceptions regarding the essence of EU new energy governance has a strong baseline but varies in term of clarity and attitude. To understand the perceptions, the interviewees were asked about the frameworks adopted by the EU (2020, 2030, 2050, Energy Union), the critical three pillars (sustainability, competitiveness and security) and technical indicators of energy policy (Quantified targets of energy policy).

Respondents were aware of the materials and core framework that lay out the energy policy under the EU. Although the focus was more shifting towards the certain frameworks that we present later. There was identified the differences between the clustered core members and secondary members of the CEESSEN regarding how they were interpreting the EU policy frames.

None of the CEESSEN members were able to clearly describe what was the baseline and main postulates of the energy policy frameworks, except two of them trying to describe it as:

“...increasing energy efficiency and reducing carbon emissions. These are the main focuses of the EU. There are the two goals that we have when we develop our system”
FECOR

“...I still think that these targets now are more renewable energy orientated. This goes around about this all the time.” MRCOR

All the core members were supporting the frameworks and seeing the importance of having the policy frameworks as guidelines. Each of them was picking up to focus on the strategy that was most relevant to their personal professional background. But all the four core members demonstrating that they had vague understanding of policy frameworks that were not directly connected to their field.

“I was very happy when the EU 2020 targets had been set a few years ago. And we can see that over the last couple of years renewable energy penetration was quite good. This was the main for my work in our (country)” MCCOR

“...they are very important as guidelines especially for my building and renovation sector” SCOR

Two core members were addressing the positive impact of the new energy policy towards the integration of the renewable energy sources into the energy grids and into the national power system. According to them including renewables into the system was not so problematic than it was decade ago. One respondent was referring to the national level improvements regarding the energy efficiency (MJCOR). There was a difference between the respondents regarding whether the focus on energy efficiency or renewable share in energy mix were balanced in the policy frameworks.

“And I think that the energy efficiency is not so successful yet” MCCOR

“ ...entire framework, I mean 2030 strategy, senses the general conditions for renewable energy development in the EU more than any another aspect of clean energy sources.” MRSEC

For all the members interviewed, the relevance of the policy was more connected to the 2030 Framework, which was described as more oriented on the renewables and introducing the clear measures on how to achieve the renewable targets. That aspect of the content was strongly dominant among all the respondents.

After explaining the idea of the policy frameworks briefly, all the members were simultaneously moving to the issue of limitations of the current policy frameworks and devote more discussion regarding the gaps of the policy. While addressing the limitations few important categories appeared to dominate their perceptions. This was consistent content with all the interviewed members of the network. This showed that although members were recognizing the importance of the policy frames they were also dissatisfied with the certain features of the policy. The dominant categories here were the lack ambitions and strictness of the policy targets, the lack of cohesion and subliminal trajectory of member states to follow the policy defined by EU.

(i) **The lack of ambition and strictness of policy targets;**

All the respondents stated that the targets are not strict enough for the long-term period to 2050 and there are energy sub sectors that need more attention. Respondents were coming from the different sectors but all of them addressing this ambition gap in policy. As one of the respondents noted:

“ ...the targets of 2020 were not so ambitious, and we can see now it is getting more and more ambitious, but I think that the 2030 targets are still not ambitious ...and the targets we sat for 2030 is simply not enough, not ambitious. By the second part of this century we must be carbon neutral globally as a whole EU” MCCOR

“But on the other hand, 2020 goals are almost filled, they are getting filled quite soon. And we should... this is a lesson that we should learn. That the next one aim should be a little bit higher...” MMCOR

“I believe that the new targets for 2030 should be for the energy efficiency should be at least 40%, and renewable energy at least 45% share” MCCOR

Another aspect was related to the monitoring process of the implementation of the policies that was considered as part when EU should be more strict. Two core members were referring to the issue that the implementation is tricky and national governments can chat with the achievements and set targets.

“...when it comes down to results, there are a lot of ways to cheat with statistics which EU looks at on the first place ... government can always demonstrate the statistics in a way they want, especially in renewable sector” FECOR

The respondent who were coming from the states that were considered as ones in need were clearly opposing the idea that the targets were not ambitions enough.

“For the year 2050 there are some really hard target. It will be hard to reach them. If it's possible, I don't know. For some of them (CEESEN member CEE countries), I think not” MRCOR

The two core members of the network who were coming from the countries that were considered as ones to have bigger problems with capacity to implement were clearly opposing the idea that the targets were not ambitions enough.

“For the year 2050 there are some really hard target. It will be hard to reach them. If it's possible, I don't know. For some of them (CEESEN member CEE countries), I think not” MRCOR

Therefore, the abstraction here is that the countries are moving forward to reach the targets are asking for the better coherent policy but recognizing that it will be hard for whole CEE region to follow the policy frameworks.

(ii) **Lack of cohesion** in the perspective of multilevel governance;

Lack of cohesion was addressed regarding the differences between the EU level and national level. All the respondents were stating that there are difference how different countries can implement the frameworks on the national level. One of the respondent

was making strong argument to support this conclusion, discussion the issues that are blocking the implantation of the EU policies on the national level,

“I feel that there is lack of cohesion among this policy solutions outlined by the policy documents. Especially when we talk about the regional representation and national levels these documents are more concerned with the e whole European level solutions which are not the same and relevant sometime for the national government” MJCOR

“It should be adapted more, and we need time to catch up with the EU. I mean the old Europe” FECOR

Core and secondary members of the network were recognizing that the frameworks per se are coherent enough to guide the process. But frameworks do not well enough reflecting the reality that the countries of CEESSEN network have administrative arrangements that does not allow them to fully implement the policies imposed by the new energy governance.

(iii) **Subliminal trajectory** of the energy policy development.

Another dominant content that appeared to be shared among the members was the idea that there are some members of the EU that are behind to reach the targets defined by policy frames and there is clear top down process in terms of adopting the EU policies on the national level. The analysis showed that the respondents were framing the trajectory as blindfolded process, when the national governments are following the guideline from EU without initiative the policy changes on national level by their own. This content was more prevalent with the core member of the network and none of the secondary members of the network addressed the issue in this frame.

“...these guys in Brussels said that we have to do that ... there is an ongoing energy policy transition not because we are very sustainable by our nature. It is mainly because Brussels is telling us to do so” MMCOR

“Brussels say that we need to have 25% of renewable energy in our system - let's do that ... whatever people in the middle like administration saying... these guys in Brussels said that we have to do that” MJCOR

Another core member also stated that:

“Central Easter Europe as the region is pretty much doing whatever the other Europeans are doing” MCCOR

Important aspect of the content of the interviews showed that the members demonstrated the significance of the differences between the member states of the EU and how the policy framework has different value for them. The answers regarding the policy targets were mostly discussed in the frames of the west and east Europe. Meaning that there are gaps between the regions and the energy strategies are easier to be implemented for the “Old Europe” rather than for the newly joined members of EU. When addressing the successful cases to meet the energy targets respondents were bringing the examples from the Western European.

“If we look at the share of renewables in German electricity system, it is achieved. It has reached the 34% which is quite high” MCCOR

“the efficiency ... is already 4 or 3 times better in the Western countries than in the Eastern. It is visible very clearly” MRCOR

All the members interview also stated that the new policy targets and frameworks are not completely adjustable to the Central and Eastern European region, meaning that some of the quantified policy targets will be hard to reach in CEE region by accepted time for 2030 and 2050.

The difference between the EU regions and members were more recognized while evaluating the quantified indicators of EU such as reducing the greenhouse gas emission by at least 40%, reaching 27% share of renewable energy in consumption and improving the energy efficiency by at least 27% (Energy Union 2015). Although they were asking to have more ambitious policies, all the members still stated that the current quantified targets are hard to reach. According to all of them, it will take much more time to reach them than the EU has targeted. But at the same time they were framing the quantified targets are very good tools to guide the national governments and focus on the process itself rather than an ending point.

“It will be difficult for some of the countries Especially for hour countries from the CEE region to focus on this and deliver the target on time.” MJCOR

“think they are really needed, like a kick in bud for the countries because you need to have some measurable indicators... I would like them to be a bit stricter” FMCOR

The recognition of difference was also addressed in the network documents other than interviews. In the project proposal the region difference was the main rational to establish the CEESSEN network and to address the energy challenges in the CEE region. While outlining the rational the focus was the renewable energy.

“In Central and Eastern Europe the growth of renewable energy generation lacks behind EU average (Project proposal, p 4)”

The issue of differences between the member countries of CEESSEN and between the regions of EU were more visible to observe when the respondents were describing the Energy Union concept that manifests the integrated new energy policy at EU level. By one secondary member, the energy Union was explained as:

“...increase the synergies between the member states and we should maximize the benefits of increased synergies between the member-states” MCCOR

The results showed that they both core and secondary CEESSEN members were recognizing the unification process as necessary process to have the general guidance and rules of the game. But core member stated that:

“...Energy union concept is like is like idealistic concept. It will never work. I'm sorry... You just need to agree that everybody plays by the same rules” FECOR

Energy Union was referred as an idealistic concept that sets good vision where the EU and the CEESSEN region should achieve. But also neglects the regional challenges that might impact the successful implementation of the framework on the national levels.

“The systems are very hard to break. Things still operate very similar way, the power hierarchy, decision-making process” MRSEC

According to the interview results, the Energy Union as a concept was more related to the political support where Union should present vision or clear transformation of energy systems that goes beyond national borders.

4.2.2 Interpreting the Energy Policy Pillars

The content of the policy documents on EU level was directly connected to the three pillars of the new policy in energy field – Sustainability, Competitiveness, security (Roadmap 2050, Energy Union 2015). The main data regarding the interpretation of the pillars were mainly collected from the interviews.

(i) Sustainability as a process

The interpretations were varying but they were following the baseline of the general EU understanding of sustainability. While discussing the sustainability all the respondents were addressing the issue of the **process** in terms of the energy production and consumption. The sustainability meant for them to ensure that the energy is produced, transferred and consumed efficiently. The main characteristics of sustainability of the energy for the both core and secondary members was that **process is efficient**.

“Basically, from the start of the production to the results you must not use more energy and more resources that give out. That’s sustainable in my mind”. FECOR

Based on the interviews, the issue of the climate change was not strongly connected to the sustainability pillar of EU policy. As we saw in the first chapter, climate mitigation action was strongly connected to sustainability for EU. The dominant content that appeared to be important in the interviews was to **protect the future**. This was main content when both core and secondary members were reflecting on the sustainability pillar. Both with core and secondary members the main problem was not clearly defined as climate change and it had more personalized vague dimension connected to the future.

“Because we must build sustainable, to use the energy on sustainable way because now we are aware what this mean for the future and for the future of our children” MJCOR

Another important content emerged regarding the sustainability was the **multidimensionality of the concept**. According to the responses, sustainability is the crosscutting pillar that reflects up on the rest three pillars.

“Sustainability is both environmental, social and, to certain extent, economic sustainability of producing and consuming energy and of course the transition and distribution and so on” MCCOR

While explaining the work that the respondents are doing on the daily bases, they were referring to sustainability as the main guiding principle for their work.

“when people are asking from us what is the best way to produce energy these days we look for the most sustainable solution which is solar or some wind” MMCOR

Importantly, the share of acceptance and understanding was consistent among the core members of the network. But it was different with the secondary members. They were explaining and defining sustainability but not sure whether they had actual value on the EU level and meant really a lot in technical sense of the energy management.

“In the EU and across the world speaking about Greenfield new projects. They are, let's say, unsustainable” MRSEC

“There is no sustainability of energy, of course. Because the word “sustainability” is too subjective. Defining sustainability is like this word is too overused. People even don't know what it means ... ask me... I don't know neither” MPCOR

Questioning the clearness of the concept was also reported to exist while the core members of the CEESSEN were discussing the network. Content showed that the members are not sure whether the network understands that some renewables are not sustainable.

“Sustainable renewable energy that is another thing that might be conflictual. Because some of us, some of the members, project partners think that every renewable is good, but it's not the case... look at the different technologies and you will see they are not efficient, but they are renewable” MCCOR

(ii) Competitiveness

Looking at the frame of the competitive we can assume that EU sees this as technological feature and integral market of energy. There was important content that had prevalence in the collected responses.

First was the issue of subsidies and the way the energy efficient sources are financed by the national government.

“over-subsidized which is not over-supported, and it is competitive with non-EU electricity prices which is obviously one of the main objectives of the EU” MCCOR

“The subsidy system is working against everything” FECOR

Official content of the policy is less concerned with the fair competition among the energy produces but the monopolies as such are not addressed directly in the framework. All the interviewed network members clearly focusing on the subsidies as a tool to sustain the monopolistic nature of the energy production and consumption on the national level in CEESN countries. One of the core member was explaining the essence of the selective logic of subsidies.

“...they got lot less money than average industry does, and they got different kind of support from the government that keep the system running not actually counting how much money you use to support the energy production. What they talk about, renewable energy is not competitive without the subsidies ... the whole electricity create is owned by one company. And if you build the wind park or if you build the solar park you need to connect to the grid. That's bloody expensive. There has been a lot of work to bring those costs down, so the companies wouldn't need to pay that much, just to be connected to the grid” FECOR

For the secondary member so the network the competitive and financial sustainability was also the key while describing the essence of the new energy governance of the EU.

“The prices are actually the reason why there is no better update in the market. It just doesn't make sense. With these low prices for energy, that don't make sense...it's all about practical actions” MPSEC

One of the core agent of the network who was only connected to the initial phase of the network formation, was not concerned with the competitiveness

“it is different area. It’s an area of financial management. it’s not important as important for me...” MMCOR

Core and secondary network members were putting **competitiveness as a one of the mechanisms to support the sustainable development**. According to them, the major questions that still triggers the development and the sustainability is the monopoly and lack of vision of the economic

(iii) Security

All the network members were framing the security pillar as dependence of EU on the external energy sources, except one. One core member addressed two dimensions of the pillar: Security as limiting the dependence on the external energy sources and security as technical stability to ensure the consistent supply of energy power.

“the security I think this has the top priority for the EU decision-makers but not very sensitive for actual people” MCCOR

” ... Security, it is a technical term, you know ... its very strict what it means, preliminary that goes to concept of political stability... energy security in terms of security on international level” MMCOR

In terms of the external dependence all the respondents were mentioning Russia and energy threats for the EU.

“Energy industry is a very risky business, here ... in the region... especially, you know” MJCOR

The issue of Russian emerged here as well in terms of social dimension of the security as well:

“...Because it’s Russian issues, we have really high number of Russians in that region. As soon as we do something that might annoy them, you have in a big brother from Moscow like ‘omg you are harassing our people...” FECOR

(iv) Compatibility for sustainability

Besides interpreting the pillars of the energy governance, the respondents were asked to express their preference and which of them were more important for them in terms of the CEESSEN network. The analysis of the answers showed that their preference is clearly connected to the Sustainability dimension of the energy policy frameworks.

“I think that these pillars are on the right place, but sustainability has always been important thing” MRCOR

Members of the network are following the logic that the sustainability is key which is directly supported by the integrating the markets (competitiveness) and increasing the energy independence. But at the same time the focus of the conversation was moving to outline the inclusive nature of the three pillars and refer to them as compatible columns of the new energy policy.

“It also has the social and economic issues connected to it you can’t really to solve one, you must solve the whole thing in one go. And I think nobody is smart enough to tackle that.” MCCOR

“...think there is a synergy between them, Sustainability and climate change is more important. There is also sense it is not possible to rate them and they are very connected” MJOR

Some of the respondents said that when developing the national actions and policies they were still focusing and trying to address all three pillars. National Energy Strategy were based on the all three cornerstones of the EU energy policy.

“Because there is no most important or more important – they are all important.” MCCOR

Besides the interview data, the content of the actual network webpage tells that their sustainability is prevalence in the language of the network. Another demonstration of the importance of this content was identified while looking at the CEESSEN conference. In 2017 the network organized the CEESSEN conference and brought together the core and secondary network members. The conference aims:

*“... to draw the practical steps to sustainability in Central and Eastern Europe”
(Conference meeting notes, p1)*

The communication materials of the CEESSEN conference were focusing on the sustainability of the energy policy as a main content to communicate with all the CEESSEN members.

“...in achieving the European targets in terms of greenhouse gas emissions, energy efficiency and renewable energy” (press release 2017, p1)

Importantly the content of the communication was using the framework of the energy transition as key indicator to move towards the sustainable energy in the CEE region. The slogan of the conference was *“Low carbon energy transition? Together it is possible” (Press release 2017, p 1).*

4.1.3 Perceptions of the policy issue in the CEESSEN network materials.

In 2017 the network created the regional energy profiles per CEESSEN country and one synthesis report in 2018. Core network members from the 10 CEE regions each developed a Regional Energy Profile. The regional energy profiles and later the synthesis report was used as an essential tool for the communication with secondary members of the network. The synthesis report presents a summary and interpretation of the 10 Regional Energy Profiles includes the collected energy data. The report described framework on what is perceived as policy problem in the CEESSEN network. According the preliminary study of network, the reports are manifesting the official content for the network. Interviews were directly looking at the subjective interpretation of network members regarding the EU energy governance. The Regional energy profiles were used as a material to explore the network.

The content of the report showed that the major threat that the core network members identified for the CEE region was the **climate change** (Synthesis report, 2018, p15-16). The results presented in the reports were different from the interviews as mentioned earlier. In interviews, the climate change was not addressed while laying out the challenges of the region. In the report the climate change was framed as the biggest threat for the CEESSEN network countries.

According to the report, important part of the challenges was availability of energy. The **lack of adequate energy data** was identified as a common challenge for most of the regions. (CEESEN synthesis energy report, 2018, p16)

“...centralized energy production to a more distributed to a smaller scale on diversified energy production. I think that's the biggest challenge” FECOR

Another material that thesis looked to increase the representation of the data was the project proposal of the Panel2050. The project proposal initiated the formation of the networking process. It became valid to look whether the categories of policy frames identified in the interview and energy reports were reflected in the starting point resource for CEESEN to emerge. The main aspect that was approached in project proposal was the interpretation of the policy challenge. The proposal referred to the technological progress both in terms of renewable energy generation and energy efficiency incentives in CEE region was identified as the main opportunity for the development towards a “low carbon economy”. Low carbon economy paradigm was addressed predominantly in the project proposal.

“According to the European Roadmap 2050, all the communities must reach low-carbon economy for year 2050” (Project Proposal, 2015, p11)

“It is clear that all the regions participating in this initiative will have different ways to reach the overall goal of low-carbon economy” (Project Proposal, 2015, p12)

As proposal showed the strong emphasis was made on the Energy Roadmap 2050 framework while explaining the rationale and outlining the areas of operation for the CEESEN network. The low carbon economy paradigm was also derived from the Roadmap 2050 framework and applied in the construction of the CEESEN actions.

4.2 STANDARDIZATION AND AUTHORIZATION OF THE CEESEN NETWORK FORMATION

Understanding of the standardization and authorization process of the CEESEN network required to analyze the network materials, the project proposal, grant agreement,

meeting memos, Declaration of Accession to the CEESEN Platform and Condition template of the CEESEN. Thesis also looked at the subjective perception of network members regarding the rules (standardization) and roles (Authorization) of the CEESEN. Therefore, thesis looked at the standardization and authorization model of the network in two dimensions: which is communicated within the network via subjective interpretations and with outside world via official network materials. In the following sub-chapter, the standardization and authorisation dimensions of the network is presented.

The results showed that from all the materials and interviews analysed the process network formation is guided by the project proposal, meaning that behavioral rules within the network and the legitimization of authorities are strongly defined by the project proposal in the beginning of pre-networking phase.

Project proposal defined the model of the CEESEN network formation that outlined the accepted behaviour, rules and roles in the network. The core network members are part of the project PANEL2050 (Grant Agreement p 42-60) and carrying out the coordination measures to engage the energy actor on the national level in the CEESEN network.

The project proposals state several actions that are identified as actions that form and maintain the network. According to grant agreement, EU project PANEL2050 defined the actions of CEESEN formation. The roles and rules were derived by the actions that was developed in the project proposal. The joining to the network, organizing the regional trainings, organizing the Bootcamp and conference was defined as required actions for the core network members to implement. The rules of behavior were clear for the core network members (project proposal, p 6-8, 14-17).

- Declaration of Accession to the CEESEN Platform.

The main idea of the declaration to guide the membership process for the secondary members in the CEESEN. Stating the requirements such as:

“joins the CEESEN Platform as an active partner in order to exchange experiences and know how within the European Community” (Declaration of Accession template 2016)

This instrument was used to collect the declared and initial members of the network. The declaration as a tool defines how the membership is perceived in the network.

- Local energy trainings.

The core network members were involved in the trainings conducted by the national member of the CEESSEN regarding the energy advocacy. The term “energy advocacy” was predominantly used to describe the overall content of the energy training both by the project grant agreement and by the respondents (project proposal, 2016, p 15)

- CEESSEN Conference and Boot Camp

As with the regional training, the principal rule here was to organize the boot camp and conference to maintain the network members and guide their behavior to bring accepted input.

The formation model for the secondary network member was also clearly defined by the project proposal in the pre-networking phase. The secondary network members were accepted to deliver the actions supporting the development of the regional energy visions, energy profiles, roadmaps and action plans (project proposal 2016). The actions define the nature of the behavior of the network members and functionality. The perception of the actions and behaviors within the network was similar when the network members were explaining the CEESSEN.

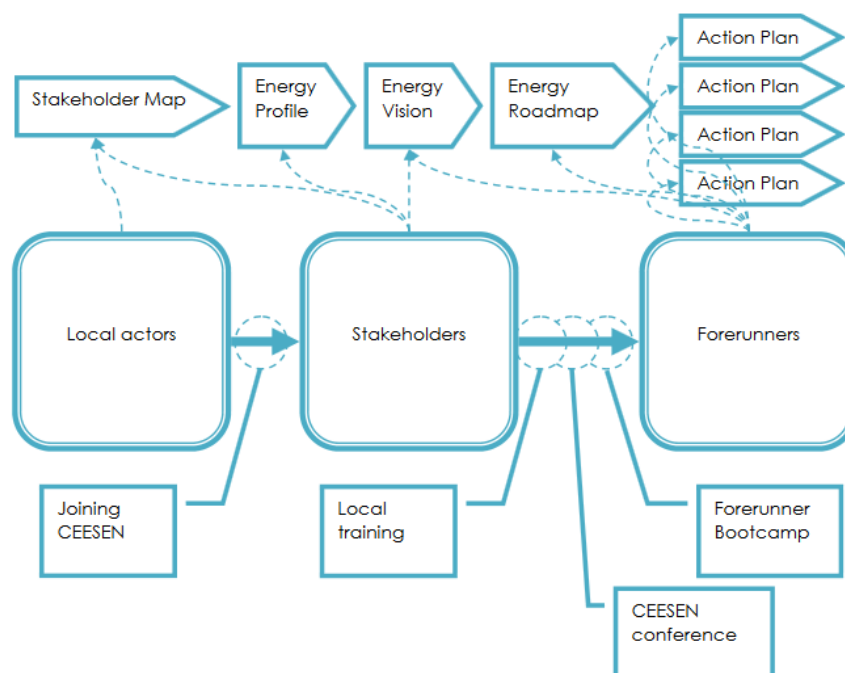


Figure 4.1 Visual representation of the network formation model at the CEESEN (Project proposal, p13-14)

As we see the model outlines the supportive measures and rules that guide the network formation process but also lays out the action-related functions of the network with imposing the outputs that the core and secondary network members should jointly deliver.

The predefined ruled of behaviour was also confirmed by the respondents during the interviews. Both core and secondary network members were addressing the same model and showing the clear agreement on what was anticipated to be behaviours within the network. The core network members clearly supporting this result by saying that:

“... we follow the project deliverables ... we (core members) have to follow the responsibilities and then make sure that the stakeholders (secondary members)... cooperation activities are some joint activities, conferences, seminars, workshops... these are what we have to do and what we follow” FECOR

“...I am not sure about the network, but I know that we are wrking on The confence was good chance to cooperate with everyone else” MPSEC

“...I refer to a grant agreement and see who is responsible for which task, but it kind of fades away all the time” FECOR

The responses from the secondary members of the network were the same from the results collected from core members of the network. There was a very clear understanding among the secondary members that there are certain actions and behaviours that they are expected to be delivered (energy profiles, visions, roadmaps, action plans).

*“I’m aware, at least in Estonian case and we had discussions **with the project team** what would be the best sort of way to address this issue ... currently, the main focus at least based on our last phone call that has been to have a sort of the climate roadmap for the renewables hundred percent roadmaps in our country” MRSEC*

But the recognition of the CEESSEN as a brand was missing in the interview with all the core members. On the question to describe how members join the CEESSEN, one secondary network member answered

“... What is the CEESSEN? You mean...” MPSEC

According to the project proposal and respondents, another important tool to guide to behavior and actions of the network is the digital platform of the network. The core members of the network created the “Terms and Conditions of CEESSEN Network” that lays out the functionality of the digital platform of the network but not the rules and regulations of the network itself. The members here are defined as:

“Member – partner of PANEL 2050 project registered on the platform, having full access to platform content” (Terms and Conditions of CEESSEN platform, 2016, p2)

According to the terms and conditions material and project proposal, CEESSEN is seen as online platform allowing communication between CEESSEN members and Users. Thus, the network was not seen as a network per se but the online platform that ensures the functionality of the network. Even the opening passage says that the terms and conditions *“also refer to the CEESSEN network as such, regulating terms and conditions*

of membership (Terms and Conditions of CEESEN platform, 2016, p2)”, the whole content of the document is about the how the online platform should operate.

During the interviews, core project partner was focusing on the digital platform while explaining the rules of the network. For them, this was the association to the CEESEN.

“I would like to find partners from CEESEN. I would like to have a platform where I can publish my projects ideas so that they can interested partner to go have a look. And then, let me now that they're interested, we do have a platform where you can upload the project idea” FECOR

The prevalence nature of project-led standardization and authorization appeared to be the main process in the network. Interviews replicated the logic of project proposal. The partners were referring to the responsibilities of the core network members that was taken within the project and declared in the grant agreement.

“...because we are the core group that for 3 years agreed to guide the activities and the extensions of CEESEN and we need to stick to that...this is how the network is run so far” FECOR

The roles and resources were also distributed based on the project proposal which was embedded in the network arrangements. This also defined the nature of authorization of the network. This means that the agreement on who does what was predefined by the Grant Agreement of the project. It was connected to the model visualized above and the roles were accompanied the anticipated actions. The project proposal vaguely explains the appropriateness of the assigning the certain members to the certain actions. There are five core members that are coordinating on overall network level. Rest of the network members are assigned to coordinate the actions on nation levels.

“... Right now it's divided by several people, but there is no person who has an overview of everything, how everything is operating and actually sort of like leading us to be on track...” FECOR

The results yelled that the three the dimension of the standardization and authorization of the network is directly connected predefined arrangements in the project proposal

(later in Grant agreement). Results showed that the attributes of standardization and authorization do exist within the network but they are not clearly synergized between the core and the secondary members of the network.

4.3 DISCUSSION

This thesis aimed to explore further the preliminary proposition that successful policy network formation happens by institutionalizing the structures of meanings via standardization, homogenization, and authorization of them in the case of CEESSEN network. This thesis addressed the question of how meanings and purposes of EU new energy governance constrain and contribute to the successful emergence of policy networks in the case of the Central and Eastern European Sustainable Energy Network CEESSEN? The purpose of the research was to explore the theoretical argument of the thesis further and reflect on the policy application of the EU energy governance. Thus, this thesis brought a theoretical contribution to the institutionalization and network formation theory and provide a practical recommendation to the policy field. Based on the purpose of the study, the thesis looks beyond causality explanations and instead search for the in-depth analysis of the PNF.

Results showed that meanings attached to the new EU energy governance were not homogenized among the network members in the interviews. Even the partners were using the same concepts, arguments when assessing the subjectively, the structures of meanings were differing in interviews and network materials. Results showed that the official network materials of the network were framing the energy challenge more in climate change and low-carbon economy paradigm. At the same time, the subjective opinions of the networks were consistently focusing on the reluctance of the systems to the renewable energy sources. This has led also to differences between the overall network and members' subjective attitude towards the EU energy policy framework of 2020, 2030 and 2050. The CEESSEN referred directly to Energy Roadmap 2050 in the project proposal, communication materials, conference notes, and synthesis energy report. The Energy Roadmap 2050 was more important for the CEESSEN to project the network to the wider public and secondary members of the CEESSEN. While the interview results showed that the responders were more familiar and comfortable with interpreting the 2030 framework than Strategy 2020 and Energy Roadmap 2050. The

content of the interviews showed that the members were more concerned with the renewable targets in the Energy Strategy 2030. This can be understood in terms that the targets for 2030 are more relevant to the policy-making process but this also means that the network is communicating different things in an official language which does not necessarily matches the perceptions of network members.

This difference in the content was maintained throughout all the stages of the network formation. The structures of meaning on the CEESSEN official level was strongly defined in the pre-networking phase of CEESSEN formation. This pattern was maintained during the other stages of the formation and manifested in the formalization stage by presenting the policy frames in Synthesis Energy Report (2018).

Standardization and authorization features of the network such as procedures and memberships rules, that will clearly demonstrate the functionality of the network, do exist in the network. The behaviors and interactions among the network members are defined indirectly by the project PANEL2050. This affected the nature of standardization and authorization process of CEESSEN formation. The results showed that there is strong agreement on rules and roles among the core and secondary network members.

Direct connection of CEESSEN network to the EU project PANEL2050 actions and practices demonstrated that the logic of behavior of the CEESSEN members was embedded in the project itself. The actions of the project are pre-constructed and perceived as the appropriate behaviors to for the network members. The core members of the network are the ones that are directly involved in the network. The core members are the ones that were obliged to follow the project logic. Although secondary members who were voluntarily involved in the network are also following the constructed behavior. In the direction setting and problem setting level, the project-lead process becomes the norm that reinforces the appropriately perceived actions of the network members.

The CEESSEN network during the formation stages defined the clear boundaries between the authorities within the network. Authorization of roles within the network is pre-defined by the project and during the pre-networking stage and there were no

changes adopted regarding the roles. Rules of the interaction between core and secondary member of the network are localized and it only relates to the action-based process. The conclusion here is that the network has passed the authorization and standardization process but in the stage of pre-networking. The inference here can be that the project itself is the authority and standard that all the network members are following. Authorization and standardization in the network were adopted but not defined by the secondary members of the network.

The main assumption of the thesis was that the successful policy network formation happens by institutionalizing the structures of meanings - standardizing, homogenizing, and authorizing the meanings. The assumption tells that the homogenization of the meanings in the CEESSEN case still exists but not coherent. The appropriately perceived process to follow the pre-defined rules of interaction and behaviors by the project framework is strongly consistent but not defined together by core and secondary members. Going back to the Social Constructivism institutionalist framework, the argument that the meanings can be granted was confirmed. Results also demonstrated that there is not a certain pattern of sequence between the three pillars of institutionalization. But the network came into existence with having stronger standardization and authorization features. Inconsistent homogenization of structures of meaning was not triggering the network formation process. Based on the CEESSEN case, consensus on concepts, aims, policy problems might not be that important when there are strongly defined instrumental features of the institutions.

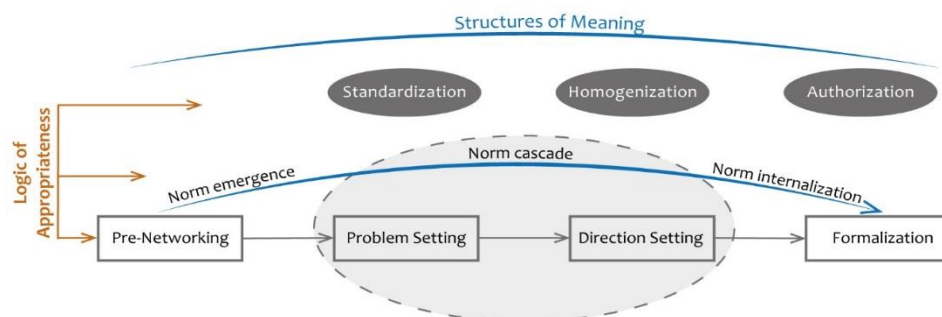


Figure 4.3.1 Adopted model of the successful formation of the institution

This reflection leads us to rethink the model of successful network emergence outlined in the theoretical framework and reanalyze the conceptual idea of network formation (Figure 4.3.1). As the results showed the policy frames, directions and policy problems were already defined by the core network members in the project proposal. This allows making certain inference for the network governance scholarship. Based on CEESSEN case, we saw that the problem setting, and direction setting was missing in the formation process. They were both included in the very first, pre-networking stage and giving the strict push for moving forward with CEESSEN formation. The inference is that network formation can be not that linear as suggested by the framework.

The results of the study showed that the EU new energy governance is supporting the development of the policy instruments and institutions. The strongly defined policy problems and conceptions in the policy documents of EU were replicated in CEESSEN network and embedded in subjective perceptions of both core and secondary CEESSEN members. The finding confirmed that the policy concepts, objectives, challenges are translated into different levels of the governance as was stated in the first chapter of the thesis. Hence, instead of clear internalization of the policy, in CEESSEN case we saw that the transfer of policy was pre-defined and directed by the core network members.

The important policy application that appeared to be prevalent in the core and secondary network members was the different capacities between the EU regions to implement the energy strategies on a national level. The CEESSEN confirms and legitimates the unified new energy policy of EU. But the unification of approaches presented in the Energy Union package was identified as a source of dissatisfaction in CEESSEN. The diversification of the EU approach towards the different regions and sub-regions was identified as a possible solution.

Based on the findings, two important avenues are suggested for the further research. In CEESSEN case we saw that standardization and authorization were not extracted from the structures of meaning but were stronger than homogenization. This leads us to question whether this means that we face the automatization and instrumentalization of the institutions in EU energy governance. Is the homogenization significant at all for the policy networks to emerge? It is also important to apply the theoretical model in this

thesis in comparative network study and strengthen the generalization aspect of the framework.

Another avenue of further research is connected to the policy impact of the networks. The question here will be how successful the CEESSEN network to impact the energy policy CEE region after a certain period. In CEESSEN case, we saw that the problem-setting and direction-setting phases were not fully implemented as the theoretical framework suggested. The question here is whether the deviation from theory made sense to the network makes a positive policy impact.

CONCLUSION

This thesis aimed to explore further the preliminary proposition that successful policy network formation happens by institutionalizing the structures of meanings via standardization, homogenization, and authorization of them in the case of CEESSEN network. This thesis addressed the question of how meanings and purposes of EU new energy governance constrain and contribute to the successful emergence of policy networks in the case of the Central and Eastern European Sustainable Energy Network CEESSEN? The purpose of the research was to explore the theoretical argument of the thesis further and reflect on the policy application of the EU energy governance. Thus, this thesis brought a theoretical contribution to the institutionalization and network formation theory and provide a practical recommendation to the policy field. Based on the purpose of the study, the thesis looks beyond causality explanations and instead search for the in-depth analysis of the PNF.

To understand the successful network formation process in CEESSEN case, this thesis used QCA methodology to analyse the structures of the meanings of the network. This thesis looked at the subjective perceptions of the network members toward the new EU energy governance and looked and construction of meaning of the network itself by analysing the network documents and materials.

Results showed that meanings attached to the new EU energy governance were not homogenized among the network members in the interviews. The network came into existence with having stronger standardization and authorization features. Inconsistent homogenization of structures of meaning was not triggering the network formation process. Based on the CEESSEN case, consensus on concepts, aims, policy problems were not being that important when there are strongly defined instrumental features of the institutions (roles and rules). In policy network formation perspective, this thesis demonstrated that that pre-networking phase of formation is vital when there is limited homogenization of meanings – when meanings does not matter.

Based on the findings, two important avenues are suggested for the further research. In CEESSEN case we saw that standardization and authorization were not extracted from

the structures of meaning but were stronger than homogenization. Another avenue of further research is connected to the policy impact of the networks.

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Appendix N1

Interview Protocol

How the meanings and purposes attached to the ‘new energy governance’ contribute to and constrain the successful emergence of policy networks in case of CEESEN?

It will include the following questions:

***Introducing** – can you present yourself and organization? How many years are they working in the field of sustainable development or energy sector? What is the focus of your work? Which sector of energy do you represent?*

What is the essence of EU new energy governance?

What do you think about the EU policy targets and solutions introduced in 2020, 2030 and 2050 frameworks?

The main pillars of EU energy policy are Sustainability competitiveness and security? DO you think they make senses? What is more important in your opinion? Does these priorities makes sense to you? for CEESEN? and for your community?

There are several key words that represents the EU energy policy “energy transition”, “green economy”, “CO2 emissions”, “climate change” “global warming”, “fossil fuels”, “nuclear power”, “coal dependency”, “renewable sources of energy”: which of these concepts are the most important for you? Why? What do you imagine when you hear these words?

Are you familiar with Energy Union concept and what do you think about the unification process of energy policy? Does it make sense to you?

Are you familiar the quantitative indicators for EU energy targets? complex goals of EU such as reducing the greenhouse gas emission by at least 40%, reaching 27% share of renewable energy in consumption and improving the energy efficiency by at least 27%.

What do you think about this? Are they realistic for you? Do you think these targets makes sense for CEE region to follow? How valuable they are?

How the network members perceive the policy issue? Do they share ‘policy beliefs’ when it comes to the essence of the problem and acceptable solutions?

If I say phrase “energy challenge” what is the picture that comes in our mind first?

What you think is the main energy challenge for CEESEN? What are the first thoughts?

Are there specific sector in the energy chain that needs more attention?

What do you think is the focus of CEE region? Or what should be? As a network member, do you think there should be different focus for the CEESSEN?

What are the main challenges in your community in terms of sustainable development and energy transition?

What are the causes of the problem and what are the solutions? Do you think that CEESSEN responds the challenges outlined in the official EU policy?

What is the degree of institutionalization of policy network in the CEESSEN case?

Homogenization

What are the main messages when you are trying to explain to people about energy policy problems and concepts within the CEESSEN actions?

Do you think core partners in the CEESSEN have the same understanding?

Do you think that the core CEESSEN stakeholder understands these concepts? What can happen if the partners will misinterpret the concepts? How will you figure out if they don't understand the policy problem?

What are the main messages that you told you stakeholders and asked them to join?

How did you explain the values and meanings exercised under the CEESSEN?

Why do you think that forming the CEESSEN is important?

Do you think that your local community can benefit from the CEESSEN?

Standardization

Why did you join the network? What was the intention? What the CEESSEN gives you?

Can you explain to me, what is the model of building the CEESSEN network?

What are the tools that is used to develop the network?

What is your guiding principles in participating in the CEESSEN? Do you have regulations and informal legislation?

How many time have you looked through the Grant Agreement? Do you always follow it? Do you think that GA is important? Why?

How does it help you to communicate with your partners inside the CEESSEN? How does it help to communicate with external partners out of CEESSEN?

Do you think that GA is CEESEN's legislation?

What do you think about the Project officer? What would you feel if the project officer is satisfied with the CEESEN deliverables and outcomes?

Authorization

What you think about the internal dynamics in the CEESEN? Do you feel that you are equal participants of the network among the core partner organizations?

Who are the main players in the building the network? Which partners matter more?

What do you think about the Steering Committee? Does it help and work? Is SC more for the CEESEN?

Have you ever voted? Or do you think your opinion has been valued and well treated?

What you think about other people, how they look at the Steering Committee?

What do you think about the leaders for specific packages? Are they appropriate partners for the tasks? What are they good in and what they lack?

Do you think the task and arrangements of network is complement to the resources and expertise of each partner?

Is there anything unfair in this network?

Appendix N2 Coding categories applied in the thesis

No.	Code Label	Description of code	Example quote	No. of coded segment
1	Sustainability of Energy Sub-codes: climate change, the importance of renewable energy sources, increasing the Sustainability of Energy	The sustainability was connected to establish the climate mitigation plans (Green paper, EU, 2006)	<i>Combat climate change by promoting renewable energy sources and energy efficiency</i>	45
2	Competitiveness Sub-codes: the integrity of the market, subsidies of the energy sources, monopolies	Competitiveness was framed as integrating the internal market and improving the energy grids (Green paper, EU, 2006, Energy Union Package, 2015) Subsidies were identified as support mechanisms to support certain type energy sources on a national level	<i>“Efficiency of the European energy grid by creating a truly competitive internal energy market” (Green paper, 2006)</i> <i>“over-subsidized which is not over-supported, and it is competitive with non-EU MMCOR</i> <i>“...the whole electricity create is owned by one company.FECOR</i>	18
3	Security Sub-categories: having continuous demand supply chain, Reducing the external dependence, Securing	security was strongly connected to the securing the supply in the technical matter (Energy Union, 2015) and independence of EU from external energy sources	<i>“to better coordinate the EU's supply of and demand for energy within an international context (Green paper 2006)”</i> <i>”Security, she is a technical term, you know its very strict what its meaning, preliminary</i>	24

	the Energy Market to Secure the Future	(Green paper2006, Energy Union, Framework 2030)	<i>that goes to the concept of interpreting... one is that energy security in terms of international and security” MMCOR</i>	
4	Compatibility for sustainability. Sub-categories: they are all important but sustainability is more crucial.	preference is clearly connected to the Sustainability dimension of the energy policy frameworks (interviews)	<p><i>“...think there is a synergy between them, Sustainability and climate change are more important. There is also feels it is not possible to rate them and they are very connected” MJCOR</i></p> <p><i>“...in achieving the European targets in terms of greenhouse gas emissions, energy efficiency and renewable energy” (press release 2017)</i></p>	36
5	Unification of the Energy Policy	Based on Energy Union package, unifying the wide range of energy targets into one policy frame and targeting the unification of internal EU market.	<p><i>“The Energy Union concept is based on the five dimensions. These are:</i></p> <ul style="list-style-type: none"> <i>• Energy security, solidarity, and trust;</i> <i>• A fully integrated European energy market;</i> <i>• Energy efficiency contributing to the moderation of demand;</i> <i>• Decarbonizing the economy;</i> <i>• Research, Innovation, and Competitiveness” (Energy Union, 2015)</i> 	22
6	Standardization Sub-categories: rules	Agreement on rules of interaction and behavior	<i>“...because we are the core group that for 3 years agreed to guide the activities and the</i>	37

	<p>of interaction are defined, rules on what supposed to be done in institutions are agreed, members are ware on the process. The process is led by the project</p>	<p>within the institutions meaning that the actions are perceived as “natural and legitimate” (Olsen, p127) The standardization here is not strictly defined as a formal or legal set of rules that ensures the functionality of the institutions, but more than non-formal instruction on what the institutions should do</p>	<p><i>extensions of CEESEN and we need to stick to that...this is how the network is run so far” FECOR</i> <i>“you follow like a general agenda of the network which is not about the number you have on the web page it’s about the finished transition that we try to make the work better” MRCOR</i></p>	
7	<p>Authorization Sub-category: Roles are distributed among members, there is a clear picture of core and secondary member responsibilities, a project defined the roles, roles are complimenting the project arrangements.</p>	<p>The Authorization of the institutions means that there is set of instructions on who is responsible for what in the institutions. The roles and authorizes are defined by the member of the institutions. The key assumptions. The key assumption here made by Olsen (2010) is that the responsibilities and roles are prescribed by members, routinized and taken for granted (Olsen2010, p 127).</p>	<p><i>“... Right now it’s divided by several people, but there is no person who has an overview of everything, how everything is operating and actually sort of like leading us to be on track...” FECOR</i></p>	32
8	<p>Homogenization Sub-categories: the goals are agreed, in the</p>	<p>Homogenization is a process where the concepts about the behaviors are reached,</p>	<p><i>“I was very happy when the EU 2020 targets had been sat a few years ago. And we can see that over the last couple of years</i></p>	27

	<p>language the same policy vocabulary used, problem are stated the same, focus of the policy frame is agreed.</p>	<p>meaning that the members of institutions sharing the same set of structures of meaning and clearly explain the common vocabulary, expectations, and concepts (Olsen 2010, p127).</p>	<p>renewable energy penetration was quite good” MCCOR “...we have certain idea how to move on and I guess everyone has the same attitude in Panel” FECOR</p>	
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